PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-SECOND PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1999–2000

COMPRISING PERIOD
2 May—12 May 2000

£70

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THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-SECOND PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 7 MAY 1997]

FORTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 349**

ELEVENTH VOLUME OF SESSION 1999–2000

House of Commons

Tuesday 2 May 2000

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

DEATH OF A MEMBER

Madam Speaker: I regret to have to report to the House the death of Mr. Clifford Forsythe, Member for South Antrim. I am sure that Members on both sides of the House will join me in mourning the loss of a colleague and extending our sympathy to the hon. Gentleman's family and friends.

PRIVATE BUSINESS

CITY OF NEWCASTLE UPON TYNE BILL *[LORDS] (BY ORDER)*

Order for Third Reading read.

To be read the Third time on Tuesday 9 May.

GREENHAM AND CROOKHAM COMMONS BILL *(BY ORDER)*

Order for Second Reading read.

To be read a Second time on Tuesday 9 May.

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Waiting Lists

1. **Mr. Owen Paterson** (North Shropshire): If he will make a statement on waiting times for surgery during the period from November 1999 to February 2000. [119054]

The Secretary of State for Health (Mr. Alan Milburn): Average waiting times for operations are now lower than when we came to office. The waiting list figures for December and January reflect the fact that, as planned, the national health service gave priority to emergency cases. Waiting lists fell again in February and we remain on track to achieve our manifesto commitment to reduce waiting lists by 100,000 from the level that we inherited.

Mr. Paterson: In February, the Secretary of State said that he would eat his hat if priorities in Shropshire were different from those in previous winters. Dr. Ian Rummens, secretary of the local medical committee, has written to me with numerous cases, some of which show that at times no beds at all were free in Shropshire this winter, even though there was less flu than usual. Even heart attack patients were turned away. Given this, will the Secretary of State please apologise, investigate these cases and go to a public place and eat his hat in penance?

Mr. Milburn: As I said to the hon. Gentleman at the time, I do not normally wear a hat—probably just as well. As for his allegation, he is simply wrong. He knows fine well that this year, just as in previous years, the NHS did the right thing. It put emergency cases first, and if that meant cancelling elective work that was the right thing to

do. It was not a distortion of clinical priorities, but the right clinical priorities. It is the hon. Gentleman who should withdraw his allegation, not the Government.

Fiona Mactaggart (Slough): I was pleased to welcome the Secretary of State to Wexham Park hospital in my constituency this morning. Will my right hon. Friend use this opportunity publicly to congratulate the hospital on reducing by 1,700 the number of people waiting over the past two years, and on ensuring that three quarters of patients are treated within three months? Can he keep giving that hospital the resources that will enable it to modernise and to continue its good work?

Mr. Milburn: I am very pleased to join my hon. Friend in welcoming the excellent work that is undertaken at Wexham Park hospital. I had the pleasure of visiting the hospital this morning with her and my right hon. Friend the Prime Minister. I pay tribute to the work that my hon. Friend does with the hospital and, indeed, with the local trust and the broader local health community. The hospital is achieving results on the basis of a clear foundation of partnership between clinicians and managers and on the basis of the extra resources that we are investing in the national health service. I give my hon. Friend this undertaking: we will continue to invest those resources year on year to give patients the sort of modern, dependable health care that they deserve.

Mrs. Caroline Spelman (Meriden): What does the Secretary of State have to say to the widow of Bill Fox, who died, aged only 62, following a heart attack during the period referred to in this question? Sheffield health authority told him that there was no money to find the replacement for his outdated heart valve, but failed to warn him of the risk that such a delay might cause, or to give him the possibility of going privately, which might have saved his life.

Mr. Milburn: I say to the hon. Lady and to the gentleman's family that it is precisely because of those sort of cases that we place such priority on tackling coronary heart disease and improving access to heart surgery for patients when they need it. That is why we have already invested extra money to provide more heart operations—an extra 3,000 operations over the next few years. It is why, incidentally, we have provided Sheffield health authority with cash increases of more than 8.7 per cent. in this financial year alone.

Dr. Brian Iddon (Bolton, South-East): I am pleased to tell my right hon. Friend that the ophthalmology department at the Royal Bolton hospital has become a centre of excellence. It could get its waiting list down even further and take on extra cases if it could get the theatre time. Will my right hon. Friend therefore look favourably on the bid that the trust has made for a designated theatre for eye operations?

Mr. Milburn: How could I resist? I shall look very closely at the bid that my hon. Friend's trust has submitted. It is very important to use all the capacity that is available to the NHS so that we can reduce waiting times for patients. We are getting the waiting lists down and, as we know, reducing waiting lists reduces waiting times too. In particular, we are prioritising operations that are regarded by patients as urgent. Cataract operations are precisely those sort of operations. They are largely the operations of old age, and we are shortening the waiting times for them. Incidentally, they are the sort of operations that would be taken out of the NHS altogether if the Conservative party had its way.

2. **Mr. Desmond Swayne** (New Forest, West): What estimate he has made of the number of patients who have left NHS waiting lists as a consequence of having paid for their treatment in the private health care sector since May 1997. [119055]

15. **Mr. John Bercow** (Buckingham): What proportion of the decline in NHS waiting lists he estimates is attributable to patients having secured treatment from the private health care sector since May 1997. [119068]

The Secretary of State for Health (Mr. Alan Milburn): The decision to seek treatment as a private patient, for whatever reason, is a matter for the individual. We have no data on the number of patients who have left NHS waiting lists and chosen to seek private treatment as an alternative.

Mr. Swayne: Let me give the Secretary of State some data. My constituent, Mr. Charles Scott, who lives in Hordle, suffered from atrial fibrillation for a number of years. In despair of the waiting list, and because his attacks were becoming more frequent and debilitating, Mr. Scott sank £12,000 of his savings into having a pacemaker fitted. Since then, he has received from Customs and Excise a demand for more than £1,000 in value added tax payable on his pacemaker. That cannot be right, or is it what is meant by Labour's double whammy?

Mr. Milburn: I remind the hon. Gentleman that it is not my party's policy to force patients to leave the NHS and pay for private treatment. That is, in fact, his party's policy. If he has a concern, he should take it up with the hon. Member for Woodspring (Dr. Fox), who told his party conference last October:

> What we are starting is perhaps a Trojan horse for private medical insurance.

He went on to say:

> I think what we are proposing could revolutionise private insurance in the way we revolutionised pensions in the 1980s.

And if that were not enough, he told *The Sunday Times* in January:

> Philosophically we have moved on. Insurance companies could cover conditions that are not high-tech or expensive, like hip and knee replacements, and hernia and cataract operations, which currently involve long waiting times.

Those were not slips of the tongue, but the authentic voice of today's Conservative party. The Tories are condemned out of their own mouths. There is no use trying to deny that the hon. Member for Woodspring said those things. It is no use trying to close the stable door after that Trojan horse has bolted.

Mr. Bercow: Given that Austria, Finland, France, Germany, Greece, Italy, the Netherlands, Portugal, Spain and Sweden all spend proportionately more on health than we do, and given that a larger share of their expenditure derives from the private sector—often, indeed almost

ordinarily, voluntarily—why does the Secretary of State not understand that his refusal to contemplate a bigger private sector contribution is blinkered, irresponsible and a betrayal of the very patients whom he is paid to serve?

Mr. Milburn: I welcome the hon. Gentleman back from his break, which has obviously done him a power of good. There is a world of difference between the NHS paying the private sector to provide patients with care for free and the policy suggested by his party, which is that patients should be forced out of the NHS and should pay for their own care. That is precisely what the Tories advocate. The hon. Member for Woodspring advocates it, and so does the hon. Member for Buckingham (Mr. Bercow). However, he and his constituents should be aware that the operations that the Conservative Front-Bench team would take out of the NHS altogether are precisely those that involve old age—hips, knees, cataracts. Conservative policy amounts to a new tax on old age, and pensioners will reject it.

Angela Smith (Basildon): Is the Secretary of State not astounded by the Conservative party's hypocrisy on the NHS? The Conservatives claim that they want the NHS to deal with serious, life-threatening illnesses, but they would force my constituents to have private operations. It may not mean much to Conservatives if they have to pay £5,500 for a hip operation, but that is far too much for my constituents to pay.

Mr. Milburn: My hon. Friend is absolutely right. The elderly are the very people who most need health care and can least afford private health insurance, yet it is their operations that the Conservatives want to force out of the NHS. Judge the Conservatives not only on their record—cuts in bed numbers, cuts in nurse numbers, cuts in NHS funding—but on what they promise for the future. They want treatment not according to clinical need, but according to ability to pay. The Conservatives offer patients only one guarantee for the NHS—an NHS that is not modernising, but privatising.

Mr. Barry Jones (Alyn and Deeside): Can my right hon. Friend say what the Government have done so far to hurry along surgery for knee and hip operations? Can ordinary people afford large sums for private surgery on their joints? What does he hope to do to help older people who cannot afford private surgery?

Mr. Milburn: We are trying to get waiting times down for precisely that sort of operation. Indeed, as we get the lists down, so waiting times go down too. It is obviously important that people do not have to wait, sometimes in pain and discomfort, for a long period before they receive treatment.

It is self-evident that people cannot afford to pay for such operations. The average cost of a hip replacement is between £5,000 and £7,800; the average cost of a knee replacement is between £5,700 and £8,400. If the Conservatives had their way, too many people—especially pensioners—would simply be priced out of care and treatment altogether.

Dr. Julian Lewis (New Forest, East): Given that the Secretary of State's defence in this matter is that the service is giving priority to emergency cases, what does he have to say to my constituent, Miss Kerry Wort of Totton, who, last December—at the very time he claims that emergency cases were being given priority—was told that she would have to wait 10 months for an emergency kidney operation, and that that wait would mean that she would lose the whole kidney, whereas if she could have had the operation sooner, she would save the kidney? She was, of course, forced off the list and had to use £5,000 of her own money to get the same operation from the same surgeon privately, three days later. If that is the Government's idea of emergencies receiving priority, they are not even delivering on that.

Mr. Milburn: It is precisely so that patients avoid the invidious choices that they are sometimes forced to make that we are trying to get down waiting times and waiting lists. We are doing that by investing more cash in the national health service and modernising the way that it works. I wish that the hon. Gentleman and his party would have the courage of their convictions. Before the Easter recess, the Opposition had the opportunity to back their apparent commitment to match our spending on the national health service by supporting our proposal to increase tobacco taxation and to earmark the proceeds for the NHS. At the very first test, they failed. They failed to put their money where their mouth is, because their commitment to the NHS is, I am afraid, not what it was in the past.

Dr. Phyllis Starkey (Milton Keynes, South-West): Last week, when I was canvassing, I met a constituent—an elderly woman—who had been forced into paying £7,000 for a hip replacement operation. However, my constituent was clear about who was most to blame for that—the Conservatives, for their previous underfunding of the NHS. Will my right hon. Friend confirm that the £800,000 allocated to Milton Keynes general hospital as its share of the extra money announced in the Budget to deal with waiting lists is a much more effective way of ensuring that no more of my constituents feel forced to go private than the Opposition's proposals?

Mr. Milburn: My hon. Friend is right. The extra resources that we have already committed to the NHS are allowing services to be modernised. They are a once-in-a-lifetime opportunity to speed up treatment and care for all patients in the NHS—not just some patients, but every patient. Nobody pretends that that is easy or that it can happen overnight; of course, it cannot—not least because we have to recruit the extra staff and build the extra capacity that the NHS needs. However, we have the opportunity to do that because the Government have put their money where their mouth is: we have backed our commitment with real cash. We have done that because we believe in the NHS. We believe that the NHS can work—it can be sustainable; it can modernise and can offer patients the fast and convenient services that they want in the 21st century.

We shall continue to invest resources in the NHS precisely because we believe in its ability to deliver the goods. What we have invested is the biggest increase in resources that the NHS has ever seen. I remind my hon. Friend that, over the past 20 or 30 years, the NHS saw real-terms increases in funding of about 3 per cent. on average. That is the record of the Tories in office. Over the next four or five years, we shall be doubling that

investment record. With that investment, the NHS has to change and modernise—there has to be a step change in results to match that step change in resources.

Nurses

3. **Mr. Michael Jack** (Fylde): What data his Department receives from hospital trusts on the number of nurses each employs. [119056]

The Minister of State, Department of Health (Mr. John Denham): The Department receives information from national health service trusts on all nurses employed as part of the annual non-medical work force census. The census contains details of area of work, hours worked, age, gender and ethnicity. Data of that sort enable us to know that, in the year until last September, the number of nurses employed by the national health service increased by 5,580.

Mr. Jack: I thank the Minister for that information, but it is a great pity that some of the nurse numbers that he mentioned have not made their way to the Blackpool Victoria hospital, which has, since 1997, been struggling with a shortage of nurses. Thankfully, it appears that that problem is being solved, but in making its case for greater nurse numbers, the trust had difficulty in obtaining comparative benchmark nurse numbers from other local hospitals to help it to make its case to the North West Lancashire health authority to ensure that nurse numbers and activity moved upwards together. What assurances can the Minister give me that that problem will not occur again?

Mr. Denham: The right hon. Gentleman says, rightly, that the problem is being tackled. Indeed, as the House meets, a meeting is taking place between Blackpool Victoria hospital and the health authority to consider nursing numbers, and I understand that there are proposals for additional funds for additional nurses to meet that hospital's needs.

The right hon. Gentleman asks for an assurance that the problem will not occur again. One thing that makes that possible is the fact that the health authority has received a 6.23 per cent. real-terms increase in finances for the coming year—part of the record level of additional resources that my right hon. Friend the Secretary of State mentioned. It is that, together with the fact that we have increased the number of nurses in training where the Conservative party cut them, that makes it possible to address the need for nurses in NHS hospitals.

Mr. Nick Harvey (North Devon): Understandably, the Government are claiming to have brought more nurses back into the profession, which is very welcome, but are they not concerned that there are still nearly 15,000 vacancies? As they look forward to the future, are they not concerned that things might get considerably worse before they get better, given the new emphasis that they have been placing on intermediate care and caring for people in the community? Are they not concerned that the age profile of community nurses, occupational therapists and health visitors—some of the very professions on whom the burden of caring for people outside hospitals will fall—is very top-heavy, and that there will be a real problem of recruitment in those areas in the next few years? What further steps will the Government take to increase dramatically the number of nurses entering the profession and to reform the pay and conditions to keep the people who are already there?

Mr. Denham: The work force needs of the new, modern national health service is one of the key issues to be addressed by the modernisation action teams set up by the Prime Minister following the Budget announcement. They will obviously address the numbers of staff that we need and the expanded roles that we want nurses and other health professionals to take on board.

However, may I remind the hon. Gentleman of what we have already achieved? We inherited a difficult situation. The previous Government cut the number of nurses in training. As a result, there were about 15,000 fewer nurses available to recruit than there otherwise would have been.

The number of hard-to-fill vacancies—those that have been empty for more than three months—is about 7,000. Against that background, we got more than 5,500 extra nurses back into the national health service last year; we were able to attract more than 5,000 new nurses who were qualified but not nursing, either straight back into the national health service or into return-to-practice courses. There was a 73 per cent. increase in applications for nurse training courses last year.

All those figures show that, although there are challenges ahead, we have begun to turn the corner on the problem of nurse shortages, which has bedevilled the national health service for so long.

Mr. William Ross (East Londonderry): The Secretary of State said earlier that it was essential to use national health service capacity to the full. Does he agree that one of the great bottlenecks is the shortage of nurses trained for intensive care, because that ties up an awful lot of people in bed blocking when they should be out and about?

Mr. Denham: The hon. Gentleman is absolutely right. We did increase the number of critical care beds last winter, but there was still significant pressure on the national health service. I believe that the national health service, and the trusts and hospitals within it, know that we need to do more to address that problem in the coming winter. Obviously, one of the issues that the health service is now looking at actively throughout the country is the need to ensure that we have more trained intensive care nurses.

Patient Representation

4. **Mr. Syd Rapson** (Portsmouth, North): What steps he is taking to strengthen the system for representation of patients' views in the NHS. [119057]

The Parliamentary Under-Secretary of State for Health (Ms Gisela Stuart): The patient care empowerment modernisation action team and the wider consultation exercise with patients and the public on the national plan will develop and strengthen the representation of patients' views in the national health service.

Mr. Rapson: We have excellent hospitals in Portsmouth, but concerns have been expressed to me,

mainly by elderly patients. They need more care, and extra effort must be made to ensure that they understand their rights. There is some confusion, so will the Minister make that extra effort to ensure that elderly patients and organisations that support them, such as Age Concern, understand their rights?

Ms Stuart: We are committed to developing a service that is sensitive to patients' needs. As part of the national plan development, we shall consult regionally and locally and ensure that all representative groups have an opportunity to comment and feed in their opinions. In addition, the action teams have considerable patient representation, which we hope will cover the whole spectrum of needs. We shall, of course, pay particular attention to the needs of the elderly within that framework.

Mr. Peter Lilley (Hitchin and Harpenden): Is not the best means of representing patients' views the right of their GP to refer them to the hospital of their choice? Why, therefore, have the Government effectively curtailed that right, and not even mentioned it in the circular on out-of-area treatments? What is the Minister's response to the president of the Royal College of Surgeons who, in last week's *New Statesman*, said:

> It is terribly important that a GP can refer to the appropriate specialist centre. Yet the new system . . . makes that more difficult. That is very disappointing and not right for the highest standards of patient care . . . ?

Ms Stuart: I do not agree that the right of GPs to make referrals has been restricted in a way that will adversely affect patients' treatment. It is absolutely important that we end up with a system in which patients see the right doctor at the right time in the right place, and many of the modernisation programmes are geared towards that. That means that there must be some reconfiguration of services, but I do not agree that the system of GP referral is in any way under threat.

Mrs. Eileen Gordon (Romford): Will my hon. Friend join me in congratulating community health councils on the work that they do to represent patients and inform them of their rights? Does she agree that with more resources they could do much more work and represent many more patients?

Ms Stuart: Community health councils have an important statutory function, but some groups of patients and parts of the community may not have a sufficiently well-structured input into service reconfiguration. We are keen to broaden that base and to involve the community health councils. We want to build on the model of CHCs in certain areas that have been very innovative, and we should recognise their role in involving the local community and build on that success.

Dr. Liam Fox (Woodspring): Given that one of the roles of the House is to ensure that the rights of the weakest and most vulnerable are protected, what specific plans does the Minister have to improve representation for the mentally ill? In the light of yesterday's announcement, what specific ideas do Ministers have about advocacy for the elderly in the health care system?

Ms Stuart: It is, of course, extremely important that the most vulnerable have the greatest protection. The advocacy system is being examined as part of the national plan for development of patient empowerment, which can mean empowering individual patients themselves or their carers or those who speak for the patient. That remit also includes the mentally ill.

Dr. Fox: The Minister might like to write to me with a fuller answer, which can be put in the Library, as this issue is obviously important to hon. Members on both sides of the House. I welcome yesterday's announcement and the Government's conversion to a public-private partnership in rehabilitation of the elderly, but what representations can patients make in such a system of treatment, and what say will they have? What safeguards will be put in place to guarantee minimum standards of care? Given that NHS treatments are subject to the Commission for Health Improvement, what changes will be required to the Care Standards Bill as a result?

Ms Stuart: The hon. Gentleman's question rightly covers a range of issues, which I shall take one by one. Mental health patients will be taken much more into care. We have spent an extra £100,000 on NHS Direct for a special line for mental health service patients. The Care Standards Bill will strengthen services within the social care sector. As for evidence of greater involvement, I ask the hon. Gentleman to wait for the national plan, which will shortly be published. It will refer to real actions rather than aspirations.

Mr. Peter L. Pike (Burnley): A few moments ago, my hon. Friend referred to the important work of community health councils. Will the Government ensure that the councils can represent patients' views at local level? It is essential that they remain local and do not become remote, which is what the previous Government were threatening.

Ms Stuart: It is absolutely essential that representation and consultation always take place at local level. That is why we are strengthening the role of health authorities and considering closely ways of broadening the base of that representation, which may not always be through the community health councils. The councils play a vital statutory role and we are committed to widening their base, but always with a focus on local delivery and local input to serve local patients.

In Vitro Fertilisation

5. **Mr. Bob Russell** (Colchester): What steps he is taking to ensure that IVF treatment is available throughout the country. [119058]

The Parliamentary Under-Secretary of State for Health (Yvette Cooper): The decision to provide specialised infertility treatment is one for individual health authorities. This decision should be taken in the light of local needs, available resources and clinical effectiveness.

The Government are continuing to consider ways of providing fairer access to infertility services while ensuring that resources are not diverted from the key priorities of cancer, coronary heart disease and mental health.

Mr. Russell: With that answer the Minister confirms that postcoding exists when it comes to this form of

treatment. Does she agree that that is unfair on a couple in my constituency—hence my question—who are being deprived of the service, whereas if they lived in another part of the country, it would be available to them? Surely the Government should insist on fairness throughout the country. We must end postcoding.

Yvette Cooper: We are very concerned about the postcode lottery in care, which is a legacy from the previous Government. The internal market perpetuated a postcode lottery and a money lottery. We are taking action to tackle the postcode lottery, including setting up the National Institute for Clinical Excellence and the Commission for Health Improvement and referring important cancer drugs to NICE. We shall build on this in future. We shall publish shortly a survey of IVF provision throughout the country to inform local decision making.

Funding Formula

6. **Mr. Tony Lloyd** (Manchester, Central): What plans he has to review the formula for distribution of funding between health regions and individual health authorities to take account of the impact of poverty on health. [119059]

The Minister of State, Department of Health (Mr. John Hutton): On 24 March 1999, my right hon. Friend asked the Advisory Committee on Resource Allocation to undertake a wide-ranging review of national health service resource allocation.

The review of the formula will ensure that the health care needs of populations, including the impact of deprivation, will be the driving force in determining future health allocations. We want a fairer formula that contributes to our goal of reducing health inequalities.

Mr. Lloyd: I think that it is common knowledge that people in constituencies and cities such as mine are among the poorest in the country. As a result, they live shorter lives, which are punctuated by more frequent episodes of ill health. Does my hon. Friend agree that the last thing that my constituents need is another Conservative Government, who would widen the gap between the poor and the better off, and would ask my poor constituents to pay for health care? Does he agree also that the time for redistribution to ensure that health funding matches health need is now, when the Government are putting record sums of money into the health service? That process would make things much easier for everybody else.

Mr. Hutton: I strongly agree with my hon. Friend. There is little doubt that it would be a disaster for the people of Manchester if the Conservatives were ever returned to office to implement the policies that they are proposing for the national health service. We should not forget that the Tories found it impossible to use the two words "health inequalities". We recognise that there are serious health inequalities in our society, which continue to scar communities throughout the country, including those in Manchester. My hon. Friend will be aware that, thanks to the measures that we have taken this year, an additional £30 million is going into the NHS in Manchester. In addition, Manchester is a health action zone, which is being supported by nearly £12 million of additional resources. His constituents face serious challenges. We are determined to rise to them, but the Conservative party would not.

Mr. Crispin Blunt (Reigate): Does the Minister appreciate that some of the longest waiting lists are in Surrey, where the length of the waiting lists has led to the effective dismissal of the chief executive of the East Surrey hospital for her political failure to meet, within the resources made available to her, the political targets imposed on her? When reconsidering the formula, should the Minister not bear in mind that the effective increase in Surrey will be less than 2 per cent. in real terms? Therefore, there is no confidence in Surrey that the money made available to Isobel Gowan's successor as chief executive will be sufficient for him to be able to carry out the task that the Government have set him.

Mr. Hutton: The hon. Gentleman usually does his homework meticulously, but I am afraid that he has not done so on this occasion. If he wants to check allocations to the East Surrey health authority for this year, he will find that it will have a cash increase of 8.26 per cent., which is a real-terms increase of 5.62 per cent. Uncharacteristically, he is quite wrong about these matters. This Government, unlike the one whom he supported, are determined to ensure that we have a genuine national health service that provides high-quality care right across the country. That, I am afraid, was not the legacy that we inherited from the previous Administration.

Helen Jones (Warrington, North): Will my hon. Friend bear in mind that there are inequalities in health care not only in inner cities, but in constituencies such as mine where people in wards such as Bewsey, Poplars and Hulme suffer much higher rates of debilitating long-term illnesses than the areas that surround them? Will he also bear in mind that people in such wards have never been able to buy private health care because they simply could not afford to? That is why the private wing in the grounds of Warrington hospital went bust. When he considers future allocations, will he ensure that the areas that I have mentioned receive their fair share of resources, which they were denied during 18 years of Tory Government? Will he look favourably on the application of Warrington hospital to use the Daresbury wing to provide orthopaedic facilities for all the people of Warrington and not just for those who can afford to pay for them?

Mr. Hutton: We shall certainly consider that, and I agree with my hon. Friend about many of the points that she made. I tried to emphasise that we want a system that guarantees fairer funding right across the national health service, which was not the case with the arrangements left in place by the previous Administration. She is right to draw attention to deprivation and health inequalities in her constituency and such problems are found all over the country. Unlike our predecessors, we are determined to ensure that the NHS provides high-quality care and improves at a faster rate the health of those who live in the poorest and most deprived parts of the country.

New Opportunities Fund

7. **Mr. Andrew Robathan** (Blaby): How much of the £150 million committed from the new opportunities fund to combat cancer has been distributed. [119060]

The Parliamentary Under-Secretary of State for Health (Yvette Cooper): Some £116.25 million from the new opportunities fund has been made available for cancer services in England and £93 million of that has already been allocated across the country for new cancer equipment. A further £23.25 million will be spent on palliative care and support and information services. Successful applicants for this money will be announced in September 2000.

Mr. Robathan: Does not the Minister, in her heart, agree that state health care should be funded by Government money and not by lottery money? However, is she aware that, if we are to have such funding, although that £150 million was trumpeted with fanfares and welcomed by the Prime Minister and the previous Secretary of State for Health, Leicestershire health authority is having to make a bid for a health care initiative for disadvantaged communities? Would it not be better to provide a CT scanner that would benefit all the people of Leicestershire than to have such gimmicks?

Yvette Cooper: I strongly agree with the way in which the new opportunities fund is being spent, and I think that the people of Britain also agree. They would certainly far rather have the money spent on important cancer equipment than on the Churchill papers. I am proud that the money for palliative care is being spent on disadvantaged communities, because this Government, unlike the previous one, are committed to tackling health inequalities and the unfair lottery of care across the country.

Mr. Philip Hammond (Runnymede and Weybridge): Is the Minister aware that the director general of the Cancer Research Campaign will give evidence to the Select Committee on Science and Technology tomorrow that the use of Temodal, the revolutionary brain cancer drug developed by Cancer Research Campaign's own scientists here in Britain, is eight times higher in Germany than in Britain, five times higher in Italy, three times higher in France and twice as high in Spain and Greece? Against the backdrop of the Government's rhetoric of priority to cancer services, does the Minister consider it acceptable that a world-class cancer drug developed in Britain with voluntary contributions made by the British people should be freely available in other EU countries, but available to only one in four of British patients who could benefit from it?

Yvette Cooper: We take seriously the lottery of care across the country with regard to cancer drugs, which is why we referred the taxanes to NICE as a matter of early priority. We will shortly make an announcement about the next wave of cancer drugs to be referred to NICE, and Temodal will be one of those drugs.

Medical Laboratory Staff (Pay)

8. **Mr. Hilary Benn** (Leeds, Central): If he will make a statement on the pay of medical laboratory staff working in hospitals. [119061]

The Minister of State, Department of Health (Mr. John Denham): For the first time, we have offered all medical laboratory scientific officers—MLSOs—a guarantee of rises above projected underlying inflation, not just for one year, but for three years. In addition, trainees have been offered increases of up to 26 per cent. for last year, all MLSO1s have been offered 7.1 per cent., and we have offered to increase the minimum national starting pay for MLSO2s by 7.1 per cent. If accepted, all that would be backdated to 1 April 1999. We are also discussing positively with the NHS trade unions proposals to reform and modernise NHS pay, as we outlined last year in "Agenda for Change".

Mr. Benn: When I recently visited the pathology laboratories at St. James's hospital in my constituency, I met staff there who are committed to the work that they are doing, but concerned about the reward that they receive for that job, and about the difficulties that they face in recruiting adequate staff. I welcome the step that the Government have taken to recognise that problem through "Agenda for Change". Can my hon. Friend tell the House how soon he expects proposals to be forthcoming so that those staff, a vital group of backroom staff in the NHS, receive the reward that they feel is long overdue?

Mr. Denham: We are making good progress with the NHS trade unions, and I hope that we continue to do so. We hope to reach broad agreement about how the proposals would be implemented this summer or later this year. They would then have to be implemented effectively and properly by NHS employers throughout the country. On our side, we are determined to make good progress with the trade unions and, with good will on their side, I am sure that we can do that.

Sir Sydney Chapman (Chipping Barnet): I welcome the Minister's announcement today. Does he accept that there is still a pretty wide disparity in pay between medical laboratory staff and other professionals in the NHS, particularly after four years' service, when the disparity is about £4,000? Does he agree that there is an overwhelming case for medical laboratory staff to be included in pay review body reports?

Mr. Denham: As I should have said earlier, I pay tribute to the work done by all our medical laboratory staff, to whom hon. Members on both sides have referred. They do a tremendous job and are a key part of the health team. With regard to the disparity in salaries between those jobs and other professions, any existing disparities certainly did not begin to emerge over the past three years, but are a much more long-standing part of the pay system. It is possible, and it is envisaged in "Agenda for Change", that some professional staff groups might become members of the pay review body system. It is too early in the process to have reached agreement on which groups those might be. That is part of the overall package of

measures that we are negotiating under "Agenda for Change" and on which we are keen to make progress in the next few months.

Dr. Liam Fox (Woodspring): The Minister knows that there is a crisis of confidence in the laboratory service and a major problem with recruitment and retention. Why will he not give the simple undertaking, which the Conservative party is happy to provide, that in future all medical laboratory staff will be included in the full pay review structure?

Mr. Denham: The hon. Gentleman is unbelievable. His party was in power for 18 years and had the opportunity to implement his proposal. That the hon. Gentleman makes such a suggestion without prior notice or discussion shows that nothing that he says can be taken seriously. We have made it clear that some professional groups can join the review bodies. However, that needs to be part of a negotiated package of changes to the national health service pay system, which will benefit not only staff but patients. The hon. Gentleman's proposal to announce one part of the negotiation as Opposition policy is not credible. He shows no understanding of what is necessary to provide a modern pay system for the national health service.

Osteoporosis

10. **Mr. Dafydd Wigley** (Caernarfon): What steps he is taking to improve facilities for identifying and treating those suffering from osteoporosis. [119063]

The Parliamentary Under-Secretary of State for Health (Ms Gisela Stuart): The Government take osteoporosis very seriously. Significant progress has been made in highlighting the importance of preventing osteoporosis and resulting fractures since the launch of the national strategy in June 1998. That provides a solid foundation for health authorities to develop local strategies. The Government expect to publish the national service framework for older people in the autumn. That will focus on areas of greatest concern to older people including falls and fractures partly in the context of osteoporosis.

Mr. Wigley: I thank the Minister for that hopeful answer. The cost of osteoporosis amounts to £4 million a day because of fractures. Will the Government provide specific funding for primary care groups to manage osteoporosis, especially for elderly people?

Ms Stuart: The causes and treatments of osteoporosis are complex. Medical conditions that result from osteoporosis, such as fractures, are fully funded and treated by the national health service. Several health authorities have adopted a strategy for prevention. Primary care trusts will continue to receive basic guidelines, which will be taken up with more enthusiasm in some areas than in others. To be frank, the response in some areas has not been as encouraging as we would wish.

It is important to note that the Care Standards Bill will set minimum standards in all care homes because elderly people are most at risk. Those standards have not yet been defined, but the consultation document, "Fit for the Future", makes it clear that facilities such as grab rails should be provided in homes. For the first time, minimum standards will apply throughout the country in homes, which house many of those most at risk.

Mr. Tam Dalyell (Linlithgow): The Minister has been candid. Why do differences exist in the response to the serious matter of osteoporosis in various parts of country?

Ms Stuart: When local health authorities decide priorities, prevention of osteoporosis may be higher on the agenda in some areas than in others. However, the national health service framework for the elderly and the Care Standards Bill will highlight osteoporosis and prevention. Prevention is a long-term issue, and our strategy includes work on better nutrition because vitamin D deficiencies and an unhealthy life style can cause osteoporosis. Health action zones have taken up those matters, and we are dealing with the differences in several ways.

Miss Anne McIntosh (Vale of York): The Minister rightly referred to the importance of prevention of osteoporosis. Has she had time during the recess to assess the evidence that shows that light gardening by the over-50s can prevent the onset of osteoporosis?

Ms Stuart: If the hon. Lady wants me to support gardening and exercise in the open air as measures to prevent osteoporosis, I am more than happy to do so.

Breast Cancer Unit, Nottingham

11. **Mr. Vernon Coaker** (Gedling): What discussions he has had with Trent regional health authority about the building of a new breast cancer unit at Nottingham City hospital. [119064]

The Parliamentary Under-Secretary of State for Health (Yvette Cooper): The national health service executive's Trent regional office is working with Nottingham City Hospital NHS trust to take forward its proposal for a new breast care centre. The case is considered to be of high priority by both the regional office and the Nottingham health community. The project will be considered by Ministers, along with other priorities, when the capital allocations for the next year are announced shortly.

Mr. Coaker: Is the Minister aware that the development of a new breast cancer unit at Nottingham City hospital is a huge local priority? I have visited the breast cancer unit and the work of Professor Blamey, Dr. Robin Wilson and the staff is well appreciated by the local community, but for too long they have had to work in substandard accommodation. With the extra money that we have made available, there are high hopes that they will soon have the first-class accommodation and facilities that they should expect for the first-class service and professionalism that they provide at the hospital.

Yvette Cooper: I shall certainly take on board the points that my hon. Friend makes. He has been a strong advocate for the new breast care centre and I can tell him

that the regional office and Ministers will note his argument that it is considered to be a regional priority. We shall bear what he says in mind when we make a decision.

Domiciliary Care Agencies

12. **Mrs. Sylvia Heal** (Halesowen and Rowley Regis): If he will make a statement on his plans to regulate and inspect domiciliary care agencies. [119065]

The Minister of State, Department of Health (Mr. John Hutton): The Care Standards Bill will introduce a new regulatory framework for home care services. We have amended it to ensure that all domiciliary care agencies—not only those contracting with local authorities—will be required to register and be inspected annually by the National Care Standards Commission. A consultation version of the proposed regulations and standards will be published later this year.

Mrs. Heal: I welcome what my hon. Friend says about including all domiciliary care agencies in the proposed regulations, but can he provide an assurance on domiciliary care workers in particular, many of whom do an excellent job, provide a high standard of care and enable people to remain in their homes, which is usually their choice? Sadly, there have been cases of care workers abusing or taking advantage of the people for whom they care. Will the regulations take into account not only quality of service, but the recruitment and training of staff employed by the agency?

Mr. Hutton: I can give my hon. Friend that assurance and she is right to say that enabling more people to stay longer at home is one of the principal objectives that we have set for social services. If we are to succeed, we need higher-quality domiciliary care services. A key part of that is making sure that the right people with the right training and the right supervision are employed in domiciliary care agencies. I give her an absolute assurance that, as we develop those new national standards, we will put a premium on ensuring that domiciliary care workers are properly vetted, trained and supervised in future.

Mr. Paul Burstow (Sutton and Cheam): During the drafting of the domiciliary care regulations, will the Minister consider the difficulties that many private sector providers of such services face with the contracts and spot contracts that they are being given by local authorities? They are set at such unrealistically low prices that even now they find it difficult to provide a quality service: we know that many are leaving the residential sector and are beginning to abandon the provision of services at home. Insufficient resources are being allocated to guarantee the quality that he and I both want to be provided.

Mr. Hutton: I will consider the point that the hon. Gentleman raises, but I remind him that social services are being resourced at a record level. There is a significant increase year on year—more than twice the rate of inflation is going in—but how local authorities decide to use those additional resources and the rates at which they contract are matters for them. We have made it clear that we do not want rates to be set mechanistically, but we will look into those issues. I am sure he agrees that we need high-quality domiciliary care and residential care services and we expect local authorities to make sure that those services are available locally.

Poverty and Heart Disease

13. **Mr. Bill Michie** (Sheffield, Heeley): What assessment he has made of the nature of the relationship between poverty and heart disease. [119066]

The Secretary of State for Health (Mr. Alan Milburn): Poverty is a major cause of heart disease. The poorest working-age men are 50 per cent. more likely to die of coronary heart disease than men in the overall population. That is why one of the key objectives of our new national service framework for heart disease is to tackle inequalities in the incidence of the disease, and access to services dealing with it.

Mr. Michie: I thank my right hon. Friend for his reply. We are now more hopeful that we will get to the bottom of illnesses caused by poverty, particularly heart disease. Does my right hon. Friend think that health action zones will give information on the relationship between heart disease and poverty? By the way, the Sheffield hospital for women is on song, on target and on price.

Mr. Milburn: As always, my hon. Friend brings good news.

My hon. Friend mentioned coronary heart disease and the role of the health action zones. I can tell him that we consider dealing with the real problems that are intimately linked with deprivation—not just coronary heart disease, but cancer—to be one of the top priorities for those zones. I know that the local health improvement programme in Sheffield has prioritised the tackling of coronary heart disease, and I think that that is absolutely right.

We are providing better treatment through extra operations, the fast-track chest pain clinics that are coming on line, and faster ambulance response times enabling those who have heart attacks to get to hospital and be treated more quickly. We need, however, to emphasise the importance of prevention as well as treatment. That is why we have invested significant amounts in smoking cessation clinics, and in the provision of nicotine replacement therapy on the national health service. For the first time, that therapy will be available free of charge. We have enabled some of the problems to be dealt with at source, rather than being picked up when they occur.

Mr. John Wilkinson (Ruislip-Northwood): The Secretary of State has identified a disturbing connection between poverty and the high incidence of heart disease. How can he justify the proposed closure of Harefield hospital in my constituency, which caused a petition with 100,000 signatures to be lodged at Downing street last Wednesday, and gave rise to a procession led by an eight-year-old former patient who had been given a double transplant? Does not a hospital such as Harefield—unlike one in central London such as the Paddington hospital that is proposed for the future—offer an ideal location for poorer people? Their families—

and they, as out-patients—can stay, at a reasonable price, in an accessible area. Harefield is the ideal locational hospital. Will the Secretary of State think again?

Mr. Milburn: I think the hon. Gentleman knows that consultation is still taking place on the future configuration of acute hospital services in that part of London. Let me place on record my tribute to the part played by the hon. Gentleman's right hon. and noble Friend Lord Newton in leading some of the discussions about the best make-up of hospital services in the area. I can go no further than that today, but I will consider carefully the concern expressed by the hon. Gentleman and others.

Mixed-sex Wards

14. **Mr. Tim Loughton** (East Worthing and Shoreham): What additional funding is being made available to health authorities in the south-east of England to facilitate the ending of mixed-sex wards. [119067]

The Parliamentary Under-Secretary of State for Health (Ms Gisela Stuart): Nationally, we are aiming to invest a total of £2.6 billion in NHS buildings and equipment for this year, part of which will be used to address on-going work to eliminate mixed-sex accommodation. The south-east received about £191 million of the £1.9 billion allocated so far. Of that, about £4 million will be specifically invested this year to help to eliminate mixed-sex wards.

Mr. Loughton: In August 1997, Lady Jay threatened:

> Any health authority which tells me it is unable to get rid of mixed sex accommodation within the next two years will have to have a very good reason.

What is the reason for the Government's failure to meet their initial pledge to phase out mixed-sex wards within two years?

Ms Stuart: Unlike the previous Government, who expressed the intention of phasing out mixed-sex wards, but never set any targets or introduced any monitoring to establish what was happening on the ground, we have set the target of eliminating the number of such wards by 95 per cent. by 2002. There is no reason to assume that we will not meet those targets. We could not set a target of 100 per cent., because, as the hon. Gentleman will know, major capital projects involving huge investment and rebuilding in five hospitals in his area mean that that target must be met slightly later, which is right and appropriate. However, the 95 per cent. target—progress on which we are monitoring, and can prove—still stands, and we will meet it.

Drug Rehabilitation Programmes

17. **Ms Karen Buck** (Regent's Park and Kensington, North): What action he is taking to improve the delivery of drug rehabilitation programmes. [119070]

The Parliamentary Under-Secretary of State for Health (Yvette Cooper): Action to tackle drug abuse is one of the key issues set out in the national priorities guidance for health authorities, which was issued last year. Drug rehabilitation forms part of our cross-government strategy on drug abuse. Better performance management and guidance on optimum models of care will ensure that more people get into treatment that really works, including residential rehabilitation. We are backing that with extra resources.

Ms Buck: I thank my hon. Friend for that answer. Does she agree that one of the principal barriers to the effective working of drug rehabilitation units is the acute shortage of trained and experienced drug rehabilitation workers? What action are the Government taking to deal with the shortage of staff throughout the country, but particularly in some of our inner-city communities?

Yvette Cooper: My hon. Friend is right. We are giving £70 million of additional resources to health authorities and local authorities over the coming three years, in addition to developing the national guidance to improve capacity, but one of the key issues is the work force, which is why we have launched a national recruitment campaign aimed at those who are not involved in drug treatment work. So far, we have received an extremely strong response.

Demonstrations (London and Manchester)

3.30 pm

The Secretary of State for the Home Department (Mr. Jack Straw): Madam Speaker, with permission I should like to make a statement on the violence and disorder associated with the so-called anti-capitalist demonstrations over the bank holiday weekend in London and Manchester.

Yesterday's shameful violence was the culmination of a loosely organised series of events that took place from Friday to Monday. Although all the events were broadly described as protests against capitalism, they were organised by a number of wholly disparate groups.

None of the organisers was willing to discuss preparations in advance with the police, who therefore had to make their plans on the basis of the best information obtained by them. The police response in London was a joint operation conducted by the Metropolitan police service, the City of London police and the British Transport police, using a joint command structure based in New Scotland Yard.

The events held by protesters on Friday, Saturday and Sunday passed off relatively peacefully, both in London and in other centres. As had been expected, however, the main challenge to public order occurred yesterday. In Manchester, up to 400 protesters caused damage to shops and disruption to the tram system. Twenty arrests were made.

The protests in central London began at around 10 am when about 500 cyclists made their way to Parliament square from Hyde Park corner. By 11 am, about 2,000 protesters were in Parliament square, many of them engaged in digging up the turf.

The first incidents of violence were reported at about 12.25 pm, when police and private vehicles were attacked by protesters close to Parliament square. About an hour later, 1,000 or so people moved into Whitehall from Parliament square and demonstrated outside Downing street, when missiles were thrown at police guarding the barriers. It was at around that time, I understand, that vandals desecrated the Cenotaph and defaced the statue of Sir Winston Churchill. [HON. MEMBERS: "Disgraceful."]

Shortly after 2 pm, the Whitehall branch of McDonald's was attacked by a crowd of about 80 people. Some injuries to the police were sustained, as was serious damage to the premises.

At about 3.15 pm, there was serious disorder and violence in Trafalgar square, including the throwing of missiles at the police. At that point, police in riot gear moved to control and to contain the crowds in the square, which they continued to do for the rest of the afternoon.

Separately, about 500 demonstrators crossed the river and congregated in Kennington park, about a mile south, where missile attacks were made on the police. From about 6.20 pm, police began a controlled dispersal of the crowd remaining in Trafalgar square. At around that time, about 150 protesters attacked commercial premises and vehicles, including police vehicles, in the Strand. The crowds in Kennington park were dispersed by 8.30 pm, and a crowd off Waterloo bridge, where protesters in the Strand and Trafalgar square had gone, was held at bay and finally dispersed by the police just before 9 pm.

I regret to tell the House that nine police officers were injured, including one who was struck in the face by a brick. He was taken to hospital but, thankfully, there was no need to detain him. I understand that the police are aware of injuries to nine members of the public. Thankfully, those injuries were, I understand, all minor.

I am informed by the Commissioner of Police of the Metropolis that 97 people were arrested in the course of yesterday's events on charges including public order offences and assault. A major investigation by police to detect other offenders—including the perpetrators of the desecration of the Cenotaph and the defacement of the memorial to Sir Winston Churchill—is already under way.

Everyone in our democracy has a right to demonstrate peacefully, but no one has a right to demonstrate violently. Yesterday, there was a peaceful demonstration in London by more than 2,000 people: it was organised by the Trades Union Congress to commemorate international workers day and to campaign for the saving of jobs at Rover's Longbridge plant and elsewhere in the west midlands. However, those entirely peaceful demonstrators were physically denied their right to use Trafalgar square, as they had arranged, because of the mindless violence of the groups that were by then occupying the square.

What was witnessed yesterday in central London was criminality and thuggery masquerading as political protest. In our democracy, there is neither reason nor excuse for such appalling behaviour.

As the House has already indicated, a particularly shocking aspect of yesterday's events was the defacing of the statue of Sir Winston Churchill in Parliament square, and the desecration of the Cenotaph in Whitehall. Yet without the sacrifice of the millions who gave their lives in the service of this country to defend our freedoms, no one yesterday would have been enjoying any right to protest at all.

The fact that the statue of Sir Winston Churchill has already been cleaned up and, I am told, no lasting damage has been caused to the Cenotaph is of little comfort to the public for the huge affront caused by that vandalism. It will be of little comfort especially, but by no means exclusively, to those ex-service people who served and saw comrades killed in those wars.

Planning by police for the weekend's events occurred over many months and took account of all the contingencies that they could identify. The planning also took into account the lessons learned from the very serious violence that occurred in the City of London in June 1999.

The police devoted greater resources—5,500 officers—to yesterday's situation than they have done for any comparable situation in the past 30 years. Knowing the determination of some of those involved to perpetrate serious violence and disorder, the police had to make the fine judgment that it was better to contain the trouble—as they did—in confined areas than seek to bar people from those areas, with a high risk of wholly unpredictable outbreaks of even more serious violence affecting the public as well as the police and property virtually anywhere else in central London. Police had to make equally fine judgments on precisely when and where to deploy officers in riot gear.

In our system of policing, those decisions are properly ones made by chief officers of police. For the avoidance of any doubt, I make it clear that that will continue to

[Mr. Jack Straw]

be the situation in Greater London after the mayor, the Assembly and the Metropolitan Police Authority have come into office on 2 July.

I should like, however, to tell the House that the Commissioner had and has my full support and confidence in respect of the very difficult decisions that he and his colleagues had to take. As with any large policing operation, the Commissioner will be reviewing what happened yesterday and will be discussing those matters with me. I shall of course be ready to respond to any recommendations that he or his fellow chief officers make to me.

I am sure that I speak for the whole House in offering our thanks and gratitude to all those police officers in Greater Manchester and in London who dealt so professionally, diligently and courageously with the entirely inexcusable violence that occurred yesterday.

Miss Ann Widdecombe (Maidstone and The Weald): I thank the Secretary of State for his statement and for his customary courtesy in letting me see it in advance. I should also like to associate the Opposition with his tribute to the police involved. I also add our best wishes to those innocent members of the public who were injured in yesterday's demonstrations.

I remind the Home Secretary of the letter that I wrote to him at the end of last week. In the second paragraph, I said:

> I would be most grateful if you would state categorically that the Metropolitan Police will actively seek to protect both people and property once the protests begin and not, as some have suggested, allow illegal acts to be committed in order to contain the situation.

I acknowledge that fine judgments have to be made, but the Home Secretary will be aware that there is considerable public concern about the amount of activity and disorder that was allowed to take place before the police decided that it was the proper time for intervention. Did he have any discussions with the police about the proposed policing methods, including, for example, at his regular meetings with the head of the Metropolitan police? Many people will be perturbed by the contrast between the policing methods used during the visit of the Chinese President, when the mildest demonstration was restrained, and what happened yesterday, when there was considerable restraint before intervention took place.

Did English Heritage make any proposals to safeguard the Cenotaph before the demonstrations? If so, what consideration was given to those proposals? If they were rejected, why and on whose advice and authority?

Does the Home Secretary agree that all those who are charged with offences arising from yesterday's activity should face exemplary sentences? Does he agree with the proposal of the Conservative candidate for the London mayoralty, Steve Norris, who has called for a ban on that assembly in future years, given its record this year and last year; or does he incline more towards the views of the other candidate for the mayoralty and think that the reaction of the Livingstone camp to last year's City riots is nearer the mark? It is a straightforward question: does the Home Secretary agree with the Conservatives and Steve Norris that the demonstration should be banned in future?

When will the Home Secretary be ready to give us an assessment of the cost of yesterday's operation? Has he made any provisional estimates? Does he agree that any information held by anyone that would assist with the identification of persons not yet arrested, including film taken by broadcasters and members of the press who were present, should be made available to the police immediately? Would the groups concerned with yesterday's disorder be covered by his new definition of terrorists under his new terrorism legislation?

Mr. Straw: I thank the right hon. Lady for her good wishes to those who were injured and to the police officers who policed such a difficult demonstration. She acknowledges in passing that fine judgments have to be made about the policing of demonstrations, but she then suggests that, with the benefit of hindsight, she is in a better position to make judgments than the chief officer of police was. *[Interruption.]* I shall answer all the right hon. Lady's questions, as I always do, but I must tell her that if she acknowledges that it was a very difficult situation and that fine judgments had to be made, she has to acknowledge it after the event as well as before and to back the judgment of the chief officer of police and his colleagues, as I do.

The police did not allow illegal acts to take place. They had to make fine judgments to prevent worse disorder and violence taking place. No permission was sought for this demonstration; indeed, so far as Trafalgar square was concerned, permission had already been granted to the TUC for a demonstration, and those peaceful protesters were kept out of Trafalgar square by what amounted to a wholly unlawful occupation of the square by the violent protesters.

It would have been a matter for the police's judgment—they would have had to seek my permission in certain circumstances—but the police might have decided to bar the whole of Parliament square, Whitehall and Trafalgar square to the protesters. If they had done so, the information available to the police was that those protesters would still have come into central London. This was a day on which the shops were open across the west end. The judgment made by the police, which I backed fully, was that the risks of uncontrolled violence right across the west end to shoppers, tourists and children, as well as to the police and to property, were much greater than what actually occurred yesterday in an event that the police were able properly and effectively to police, despite the serious damage and violence that was done.

The right hon. Lady asked whether there were meetings with the Commissioner. Of course there were. The issue of the policing of the demonstration was raised by the Commissioner and me at a series of regular bilaterals, and at a special meeting about three weeks ago. I was concerned to ensure that the Commissioner had the full resources and powers available to him. I did not wish to second-guess his judgments, but I wanted to satisfy myself that proper preparations were in place and, in particular, that—as far as it was possible to learn them—lessons had been learned from the events that took place mainly within the City of London on 18 June last year. Many of those lessons had been learned, including the need for there to be a combined control. That combined control operated at New Scotland Yard, as I saw when I visited there yesterday afternoon.

The right hon. Lady referred to the visit of the Chinese head of state. That was a demeaning comment. There is no parallel between the difficulty of policing what happened yesterday and the visit of the Chinese head of state,

nor is there a parallel in terms of methods. Yesterday, the police had to use riot gear which, happily, they did not in respect of the visit of the Chinese head of state. Moreover, the right hon. Lady knows that lessons have been learned from the Chinese demonstrations.

The statue of Winston Churchill in Parliament square is the responsibility of the Royal Parks Agency, and the Cenotaph is the responsibility of English Heritage. I understand that the police asked for both of those monuments to be boarded up, and decisions not to board them up were made by the agencies. I was not aware that those decisions were made, and the House will wish there to be more details about how they came to be made. However, the police told me this morning, in terms, that they had advised English Heritage and the Royal Parks Agency that the monuments should be boarded up.

The right hon. Lady referred to comments by the Conservative mayoral candidate. In the light of yesterday's events, this is not the occasion for swapping stories about candidates. That can be done outside the House. However, since the matter has been raised, I repeat that decisions of this kind will remain the responsibility of the chief officer of police. Whatever may have been said by candidates, the decisions of this House and the other place on the establishment of the MPA were clear. That is to say, the mayor's only power lies in proposing the budget—which has to go up, not down—for the Metropolitan police service. The MPA will replace my functions as the police authority for the Metropolitan police service, and it will operate in the same way as any other police authority.

Provision already exists in the law to ban processions, and other powers may be taken by the police. As for Greater London, the law makes it clear that a decision to initiate a request for any such ban lies with the Commissioner and the request goes, and will continue to go, direct to the Home Secretary. As with other requests for bans, if the Commissioner makes a request, I shall consider it with care.

Sir John Morris (Aberavon): As a former soldier, I deprecate the damage done to the Cenotaph and the Churchill statue. I recognise the fine distinction between the powers of my right hon. Friend as Home Secretary and those of the Commissioner, but I wonder whether, with hindsight, the right decisions were taken by the police. Will the matter now be further considered so that future difficulties may be avoided?

Ample statutory powers exist, but in well-organised demonstrations—I have taken part in some of them—proper liaison occurs between the organisers, the stewards and the police. It is not simply a question of damage in the west end, which my right hon. Friend mentioned, as opposed to damage in Parliament square and Trafalgar square. Demonstrations are successfully held in other places in London, such as Hyde park, with a minimum of damage, if any. With hindsight, does my right hon. Friend think that everything was done for the best yesterday?

Mr. Straw: It is my belief that the Commissioner and his colleagues had some extremely difficult judgments to make, and I back them fully on the decisions they made and continue to make in respect of the demonstrations. With respect, the sort of demonstrations that my right hon. and learned Friend mentioned are those run by people who want a peaceful demonstration and who have made stewards available. In such circumstances, it is easy, as it was yesterday with the event organised by the TUC, to persuade organisers who have control over their demonstration to move elsewhere in the interests of public order. Yesterday's gathering was called a demonstration, but we were dealing with people who were intent on rioting in London. They were organised, but the police were the last people those involved would tell of their plans.

I defer to, and back, the judgments made by senior police officers who had to make some extraordinarily difficult decisions. All such judgments would be much easier with the benefit of hindsight, but that is a luxury never available to the police in the heat of the operational moment. The way in which they policed the events yesterday was exemplary and a huge credit to the professionalism of the British police service. I might add that yesterday's events were better policed than similar events have been elsewhere in the world.

Mr. Simon Hughes (Southwark, North and Bermondsey): I thank the Home Secretary for his statement, and through him I thank the police and the other public services which did a good job in difficult circumstances yesterday.

Is the Home Secretary's information and analysis that the majority of people at events in both London and Manchester were peaceful, whatever the motives of organisers may have been, and that only a minority of people were set on being disruptive and criminal? As Home Secretary and as the police authority for London, has he had any success in identifying the troublemakers since June? In the case of football, the minority of thugs are targeted by the police and dealt with. Has there been success since last year?

The Home Secretary, again in his role as police authority for London, also endorsed and supported in advance the non-confrontational strategy. Are the right hon. Gentleman and the Commissioner of Police of the Metropolis satisfied that sufficient police officers were on duty in London adequately to police all the other May day events in the city's boroughs, as well as to cover what happened in the centre of the capital?

Finally, one matter is still troubling. The damage to the Cenotaph caused great affront to many people, especially to those to whom the monument is a tribute. Was the Cenotaph policed specifically, in an attempt to protect it?

Mr. Straw: I shall deal with the hon. Gentleman's questions in turn, and I shall also respond to the question from the right hon. Member for Maidstone and The Weald (Miss Widdecombe) about the cost of yesterday's events, which I omitted to answer earlier.

The hon. Gentleman asked whether a minority of people who took part in the demonstration were involved in the violence. The numbers of people arrested show that only a minority of people were violent, but I am sorry to say that a significant proportion of those who turned up in Trafalgar square understood what was likely to happen. Given that they knew people who were going to be involved in violence, those people should not have gone to Trafalgar square to engage in unlawful activities. However, the same does not appear to have been true about those who went to Parliament square.

[Mr. Straw]

The hon. Gentleman will excuse me if I do not go into detail about the work of the police service in detection. I will say only that the police have arrested about 100 people already—significantly more than were arrested after the much more serious events of 18 June last year—and that they are engaged in a serious crime investigation into many of the offences committed yesterday.

The hon. Gentleman asked whether enough police were available. The answer is yes: 5,500 police officers were directly available to Gold command in New Scotland Yard for the operation, and sufficient officers were available elsewhere in greater London.

I am afraid that I cannot recall the other question that the hon. Gentleman raised.

Mr. Hughes: It was about the Cenotaph.

Mr. Straw: A great deal of effort was put into policing Whitehall. The House will know that, in certain areas, it was decided initially—and quite properly, in my judgment—not to use officers in riot gear. The hope was that protesters would act peacefully as a result, and to some extent that expectation was fulfilled. However, the events in Whitehall that I have already described meant that officers in riot gear had to be brought forward. I have already explained the police recommendation that the Cenotaph and the statue of Sir Winston Churchill should be boarded up. It is for the Royal Parks Agency and English Heritage to explain why they judged that neither monument should be so protected.

As to the cost of the operation, I understand that police overtime cost about £3 million. I shall give details of other costs as soon as they become available.

Mr. Gerald Kaufman (Manchester, Gorton): Is my right hon. Friend aware that the people of Manchester condemn to the utmost degree the disgraceful disfigurement of their city? In addition, they are appalled that police resources and manpower should have been distracted from the genuine law and order issues that I was discussing with my constituents only yesterday afternoon.

With regard to London, is my right hon. Friend aware that what took place is exactly the sort of direct action against capitalism that the hon. Member for Brent, East (Mr. Livingstone) has advocated and supported? Is he also aware that the Livingstone brand of approval would be given to such activities if the people of London were conned into voting for that smarmy charlatan?

Madam Speaker: Order. I must ask the right hon. Gentleman to withdraw his last remark.

Mr. Kaufman: I do so, Madam Speaker, at your instruction.

Mr. Straw: I had better not follow my right hon. Friend's latter remarks. I, of course, share his deep anger and concern at the disfigurement of his great city of Manchester by those who took part in the unlawful series of protests and the violence committed yesterday—and, I am sure, the anger of the residents and business people of Manchester about the diversion of police resources as well.

Mr. Peter Brooke (Cities of London and Westminster): I join in congratulating the police on their impressive conduct of yesterday's affairs in London. Pursuant to the Home Secretary's answer to the right hon. and learned Member for Aberavon (Sir J. Morris), if no plans have been submitted and no permission sought for a protest or demonstration, is an offence committed under the Public Order Acts by that very protest and demonstration taking place unplanned, unco-ordinated and with no permission sought? If there has been a forewarning of trouble, what principles govern the police in their plans, actions and decisions in response to the potential threat?

Mr. Straw: I am grateful to the right hon. Gentleman for his remarks about the impressive conduct of the police. He asks me to speculate about whether certain offences might have been committed by virtue of the fact that there was no permission for the demonstration. The position on bans and permissions is complicated. There is a power, which I have used on two separate occasions—upon application by the chief officer of police in West Mercia and in Norfolk in the past two weeks—to ban processions in certain circumstances. There is no power to ban assemblies which take place in public areas, although there are laws relating to obstruction if assemblies take place in the public highway. The right hon. Gentleman will forgive me if I do not speculate about whether particular offences may or may not have been committed yesterday.

The right hon. Gentleman also asks me what principles guided the police in their decisions as there was forewarning of trouble—of that there is no doubt. The principles that guided the police were the safety of the public, the safety of the police and the safety and security of the property of this great city—and, in particular, given the right hon. Gentleman's concerns following the events of 18 June last year, ensuring that the business life of this city could continue. The police made their judgments in the light of those principles and, as I have told the House, I think that they made the correct judgments.

Mr. Dale Campbell-Savours (Workington): As a veteran of many demonstrations in the 1960s, some of which my right hon. Friend will remember with great affection, may I say that what is happening now is characterised by a new brutality and ugliness that we never saw then? The use of balaclavas, helmets and masks shows that some people attend these rallies and demonstrations with only malice in mind. I hope that we never ban demonstrations, but the police must have the powers to deal with people who are basically criminals.

Mr. Straw: Like my hon. Friend, I went on many demonstrations in the 1960s—too many to name—and on many more recently, including those against the high levels of unemployment caused by the previous Government. Every demonstration that I went on was peaceful. We celebrated that fact, and ensured that we co-operated fully with the police, because such right of peaceful process is the essence of a democratic society.

My hon. Friend is entirely right about the new brutality, which none of us is used to, or wishes to become used to. It is wholly unacceptable—it includes using balaclavas and seeing the police as enemies. One of the many things that we were able to do in response to police requests as the Crime and Disorder Bill went through Parliament in 1998 was to give the police powers to require the removal of balaclavas and other face coverings in unlawful and violent demonstrations such as took place yesterday, and those powers have been used.

Mr. John Greenway (Ryedale): Like the hon. Member for Workington (Mr. Campbell-Savours), I am a veteran of the demonstrations of the 1960s—except that I was on the opposite side. In the anti-Vietnam demonstrations of both 1967 and 1968, police officers, of whom I was one, prevented desecration of property.

I agree with the Home Secretary that the current threat is completely different from those of the 1960s and others. The circumstances are difficult for the police, and I am willing to accept the right hon. Gentleman's explanation of what happened yesterday. However, the people of this country will never again accept the desecration of the Cenotaph. Following the right hon. Gentleman's confirmation that the mayor of London will not have powers to interfere, and that the Commissioner of Police of the Metropolis will have freedom of operation, does he agree that in the face of a similar threat in future, everything will be done to prevent such desecration?

Mr. Straw: The police service will be grateful for the hon. Gentleman's unequivocal support, not least because it is based on his service as a police officer. I should pick him up on one point; he said that he and my hon. Friend the Member for Workington (Mr. Campbell-Savours) were on different sides in the past, but I must say, with respect, that the point has often been made to me by police officers that in an entirely peaceful protest, the police and protesters are, in one sense, on the same side—that of democracy.

I accept what the hon. Gentleman said about the Cenotaph. Lessons must be learned from the experience of all these events. What happened was a deep and awful affront to the whole of our society and the public. We must make sure that the possibility of such desecration does not arise again.

Mr. Mike Gapes (Ilford, South): Will my right hon. Friend confirm that anarchist behaviour of the type that we saw yesterday is nothing new? Anarchists throughout history have tried to prevent Labour movement peaceful marches such as that organised yesterday by the TUC. Does he agree that anyone—candidate for mayor of London or anyone else—who gives sustenance to anti-democratic behaviour by anarchists is not fit to hold public office?

Mr. Straw: I agree with my hon. Friend. This is the last occasion on which it is possible to equivocate. We either favour democracy and law and order, or we do not. Those who equivocate place themselves on the side of people such as the anarchists to whom my hon. Friend has referred.

Mr. Crispin Blunt (Reigate): Does the Home Secretary share my concern at the reported remarks of Deputy Assistant Commissioner Mike Todd that:

> Our plan was to make arrests only for the more serious offences. We had to ask ourselves whether it would be worth putting the public or our officers at risk by arresting protesters for minor crimes. We didn't want to be accused of inflaming the situation. The change in our tactics was forced on us by the demonstrators after the McDonalds incident.

If those reported remarks are correct, will the Home Secretary tell the deputy assistant commissioner that many millions of his fellow citizens—particularly ex-service men—will not regard the desecration of the Cenotaph as a minor crime? I visited the Cenotaph today, and have been told by officials of English Heritage that they wanted to board up the site, but did not do so on the advice of the police. Will the Home Secretary investigate the conflicting stories about the Cenotaph that are circulating? Is it not a sad fact that a demoralised police force felt unable to put in place a proper policing plan to protect Parliament square and the Cenotaph?

Mr. Straw: I am aware of the remarks of DAC Mike Todd. I do not have the record before me, but I do not believe that he was referring to the desecration of the Cenotaph as a minor crime. I have explained that the police take that desecration extremely seriously, as they do the despoiling of monuments in Parliament square, including the statue of Sir Winston Churchill. Those incidents are being fully investigated.

Policing is a discretionary matter. Every day we receive demands—not least from Conservative Members of Parliament and from newspapers—that the police should not fully enforce one aspect of the law in order better to enforce another; for example, with what are regarded as minor speeding infractions and so on. The matter is one of considerable discretion, as it is bound to be.

With the benefit of hindsight, it is easy to say exactly which decisions should have been taken—just as it is easy to win any battle when one knows what happened. We were dealing with an extremely fast-moving situation involving some anarchists, but also some extraordinarily well organised and determined criminal people who call themselves anarchists, who were not going to disclose their criminal plans to the police. I say again—without the equivocation that, regrettably, we hear from some Conservative Members as well as from some people outside this place—that I believe that, in Sir John Stevens and his colleagues, we have some of the finest and most professional police officers, not just in this country but in the world. We should back their judgment.

I completely refute the hon. Gentleman's comments on demoralisation. It is extremely silly for him to imply some sort of competition in the policing of such demonstrations. If he went through the record of disorder that occurred under Governments whom he supported, including serious rioting in several cities and the poll tax riots, to create a score sheet—I hope that he does not want to do so—he would find that the Conservative party was at the wrong end of it.

I am indeed aware of conflicting stories over responsibility for the Cenotaph memorial and for the statue of Sir Winston Churchill. I felt it right to give the House the information that became available to me. According to that information—although there is some conflict about the matter—the police are adamant that

[Mr. Straw]

they advised English Heritage and the Royal Parks agency, which are without doubt responsible for those two monuments, that it would be better for them to be boarded up.

Ms Joan Ryan (Enfield, North): I thank my right hon. Friend for his statement; I am pleased about the measures that he has taken to deal with yesterday's deplorable events.

I am not surprised that several hon. Members have referred to the comments of the hon. Member for Brent, East (Mr. Livingstone)—it is right that those comments should be raised. If we are to condemn yesterday's events and to deal effectively with the perpetrators, the comments of Members of the House must be clear. Unfortunately, it is clear that the hon. Member for Brent, East advocates rebellion as a means of influencing Government. Does my right hon. Friend agree that it is incumbent on all Members to think carefully about, and to be responsible for, what they do and say, and that statements such as those that have been made can only encourage the behaviour that we saw yesterday? All Members of the House bar one—it seems—would condemn such behaviour.

Mr. Straw: I understand what my hon. Friend says. At the very least, such comments excuse and give licence to such behaviour, and therefore stand condemned.

Mr. William Ross (East Londonderry): Given the contents of the Home Secretary's statement and his answers to questions today, it is plain that both he and the police were aware that yesterday's violence was carefully planned over a long period. As no one makes such detailed plans without a clear objective, why did the right hon. Gentleman describe yesterday's events as mindless violence?

Mr. Straw: I think that I am entitled to describe the violence as mindless, even though the planning was not.

Mr. Andrew Mackinlay (Thurrock): Will the Home Secretary clarify whether the statement that he made today to Parliament was in his capacity as the police authority for London, or what I call the residual Home Secretary, post-July 2000? Will he give an assurance that if there is a repetition of such events—which one hopes that there will not be—he will make a similar reportage to Parliament?

When the Home Secretary is reviewing this matter, will he revisit again the representations that he has received from the chief constable of the British Transport police and the representative organisations of the officers in the British Transport police, the Ministry of Defence police and the Royal Parks constabulary about the problem of jurisdiction that those people have outside the curtilage of a railway station, and outside the curtilage of the Ministry of Defence or of the Royal Parks, where they have no more competence or powers than he has—or than you or I, Madam Speaker, have? That matter has been referred to successive Home Secretaries and has been ignored. It is now time that it was addressed, because of the vulnerability of those police officers in such situations.

Mr. Straw: In answer to my hon. Friend's first question, I made my statement as Home Secretary. I would have made, and will make, similar statements in similar circumstances, regardless of whether I continue to be police authority for London. I point out that the main events that took place on 18 June last year took place in the City of London, whose territory is not covered by my remit as police authority for London, but by a separate police authority—the police committee for the City Corporation.

Of course, if matters were as grave as they were yesterday and I had received a request for a statement from my hon. Friend the Member for Manchester, Central (Mr. Lloyd) and my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman), I would—if the House and you, Madam Speaker, had thought it appropriate—have made a statement.

My hon. Friend also asked a separate question, which I know has been concerning him, about the jurisdiction of the British Transport police and other so-called non-Home Office police forces. We are actively considering that matter, and we hope to make announcements in due course.

Dr. Michael Clark (Rayleigh): Does the right hon. Gentleman agree that yesterday's violent chaos in our capital city was a disgrace, an affront to decent citizens, an abuse of taxpayers, who had to pay for the policing yesterday and are now paying for the clearing up, and above all, an insult to our war dead? Does he also agree that it is difficult for us to talk about mob behaviour in other countries when we have such behaviour in our own?

On television this morning, Deputy Assistant Commissioner Mike Todd said that he was proud of the way in which the police had contained the situation. Whereas I am proud of the way in which the police set about their work, I am not proud of the way in which the situation was contained, because it obviously was not. Does the right hon. Gentleman accept that unless we have some further statement about containment, that sounds like a complacent statement from the police, and that we want some reassurances for the future—as do those motorists who had their windows smashed on Waterloo bridge, the tourists whose families were frightened and the property owners whose property was violently vandalised?

Mr. Straw: Of course I agree with the earlier part of the hon. Gentleman's question, but I return to the subject of the policing decisions that were taken, which is, understandably, of concern to Members on both sides of the House. I say to the hon. Gentleman and to the House that when the police were faced with people of that kind, whatever tactics they had used, and whatever numbers and weaponry had been available to them, no policing arrangements in the world could have prevented those people from carrying out violence if they were determined to do so. There are many examples in other countries of occasions when the police have used greater force—weapons, cannon, water cannon, tear gas and much else besides—and greater damage, not less, has been caused to innocent bystanders, the police and property. That is, sadly, the reality that the police had to deal with.

Of course I very deeply regret the disorder that occurred. Obviously none of it affected me personally, but much of it affected friends and neighbours who live in or near the area where I live, in Kennington and elsewhere

in south London, so I am well aware of the disruption that was caused. I am aware of the fact that innocent members of the public were affected. Friends of ours who were shopping in the west end could not get home for one or two hours. I deeply regret the damage caused to people's motor cars and other property, including McDonald's and the memorials.

It is my judgment, and I cannot repeat it often enough, that from the Commissioner and his colleagues right down to the officers who were literally in the front line yesterday—most were wearing riot gear, but they were facing a frightening situation—we have police officers of the highest professionalism. After events such as those of yesterday, which I believe were properly and effectively policed, we should express our gratitude to those police officers for what they have done.

Mr. Martin Linton (Battersea): Does not my right hon. Friend find it incomprehensible and inexcusable that a small minority of well organised anarchists—if that is not a contradiction in terms—should have resorted to violence to achieve their political objectives only three days before they will have a chance to test their opinions at the ballot box? They would have been better advised on Monday to gather support for their views among the voters of London than to engage in random acts of violence that did no credit to their cause.

Mr. Straw: I entirely accept what my hon. Friend says.

Mr. John Wilkinson (Ruislip-Northwood): May I say how welcome is the Home Secretary's support for the Metropolitan police, particularly as many will have been drafted in from outer London and foregone their weekend and leave entitlement to serve in difficult circumstances? As for the future of policing in London, if by some mischance the Metropolitan Police Authority does not work well and does not provide sufficient support to the police service, will the Home Secretary reconsider the legislation, and if necessary return to the House to resume the powers that he currently holds?

Mr. Straw: I think that we ought to try the new arrangements first. My recollection is that the decision to establish a Metropolitan Police Authority had the approbation of hon. Members on both sides of the House. I make it clear again that the mayor will not be the police authority; the authority will be composed of 23 individuals. Twelve will be elected members of the Assembly, but they will be appointed proportionately to the party balance in the Assembly. Seven will be independents, one of whom will be appointed directly by me, six will come from a shortlist approved by the Home Office, and four will be justices of the peace appointed by a process that involves the Lord Chancellor.

Whoever is elected mayor, the police authority should be a responsible and realistic body. Of course, as with any other change in the law, if that turns out not to be the case, it will be for the House and the other place to decide on a change either backwards or forwards.

Mr. Tony Lloyd (Manchester, Central): I thank my right hon. Friend for making it clear in his statement that he was referring to the situation in Manchester as well. That sends an important message to people from outside London that the issues are of nationwide significance and do not relate to only one city, however important that city may be.

My right hon. Friend will be aware that people in Manchester yesterday, who were going about their lawful business of shopping and taking their families out, will have been grateful for the presence of the police, who were determined to ensure that criminality did not affect them more than was inevitable because of the actions of a minority who, like those in London, were determined to disrupt the city centre.

Like my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman), I think that we should all condemn those who waste so much police time and so many police resources on such operations. As my right hon. Friend made clear, the answer to such demonstrations is adequate policing such as that in Manchester, not the knee-jerk reaction of an attempt to prevent demonstrations of any kind.

Mr. Straw: I am grateful to my hon. Friend for his remarks. I underline the fact that police outside London, as well as the service in London, had to bear some of the brunt of what happened yesterday. As well as paying tribute to the Metropolitan police service, the City of London police and the British Transport police, I pay particular tribute to the Greater Manchester police, who had to bear a serious burden yesterday and acquitted themselves very well.

Sir Sydney Chapman (Chipping Barnet): I accept that the policing of demonstrations in London is kept continually under review by the Commissioner of Police of the Metropolis and by the Home Secretary, but when reviewing what happened 24 hours ago, will the right hon. Gentleman ask Sir John Stevens to consider especially the effect that the presence of extra police in central London had upon policing in other parts of London, and the possible consequences in terms of criminal offences being committed outside the area in question? I do not deny the Commissioner the right to decide how many police officers to employ, particularly in a demonstration that he was forewarned was likely to lead to violence, and I recognise what the right hon. Gentleman has said about some police being called in from outside the Greater London area, but will he consider the possibility of encouraging Sir John to have the power to appoint special constables to police normal areas when a big demonstration takes place in the centre of London, and to draw in more police from outside the Metropolitan area?

Mr. Straw: I should have said earlier to the hon. Member for Ruislip-Northwood (Mr. Wilkinson) that the overwhelming majority of the police officers available yesterday to the Commissioner were Metropolitan police officers, although there had been arrangements for mutual aid from some of the home counties. The hon. Gentleman's second point is an important one; I shall write to the Commissioner and take it up with him.

Mr. Vernon Coaker (Gedling): Many of us will welcome my right hon. Friend's support for the police. Does he agree that it is important that we do not undermine their actions with hindsight? We should all bear in mind the courage that police officers showed on our streets yesterday in protecting both property and life.

[Mr. Vernon Coaker]

It is important that we do all that we can—one of my constituents who was crying on the phone to my constituency office today would want reassurance on this matter—to catch the culprits behind the violence. We must put all our efforts into that. The wearing of masks can serve only to hide people's identities, and is not part of a normal demonstration.

Mr. Straw: As my hon. Friend says, hindsight is a wonderful commodity. However, it is never available to the police in situations such as yesterday's demonstration. As well as going to New Scotland Yard yesterday and talking to the Commissioner and all his senior colleagues during the operation, I saw the Commissioner this morning. He has assured me that he is devoting considerable resources to the criminal investigation into the offences that took place yesterday. He and all his officers understand the importance of securing the perpetrators of the offences, including the desecration of the Cenotaph and the damaging and daubing of the statue of Sir Winston Churchill.

We have already added considerably to the powers available to the police—that was one of the complaints made by some of the protesters yesterday. I make no apologies for adding to the powers of the police. If the Commissioner or the Association of Chief Police Officers puts forward proposals for additional powers, we shall consider them carefully.

Point of Order

4.28 pm

Mr. Tam Dalyell (Linlithgow): On a point of order, Madam Speaker. Given the increasingly dangerous situation in Montenegro, and the difficulties that our forces in Kosovo are experiencing, have there been any requests from either the Ministry of Defence or the Foreign Office for a statement on the situation in the Balkans?

Madam Speaker: I have not been told today by either of those Departments that their Secretaries of State are seeking to make a statement on that issue.

WELSH GRAND COMMITTEE

Motion made, and Question put forthwith, pursuant to Standing Order No. 107 (Welsh Grand Committee (matters relating exclusively to Wales)),

That the matter of the Welsh Economy be referred to the Welsh Grand Committee for its consideration.—*[Mr. Allen.]*

Question agreed to.

Renewable Energy

4.29 pm

Ms Joan Walley (Stoke-on-Trent, North): I beg to move,

That leave be given to bring in a Bill to require the Government to draw up a strategy for promoting non-convergent renewable energy technologies.

If I had my way, the House would spend the whole of today's business considering and legislating for an immediate strategy to support far-from-market technologies such as photovoltaics, offshore and onshore wind, tide technologies and biomass, such is the importance that I attach to the promotion of renewable energy.

I am mindful that this debate takes place halfway through this year's Reith lectures, which, fittingly for the first year of the 21st century, are on sustainable development. Contributions from this year's speakers—they include the European Commissioner Chris Patten, British Petroleum's John Brown and distinguished international speakers—and the follow-on studio and internet debates show the wide spectrum of people across the planet who care about and want to contribute positively to sustainable development. It is unquestionably the most pressing and fundamental challenge of our time. Parliament must be part of the on-going debate and the intention of my Bill is to focus our collective energy on what needs to be done.

I do not suggest for one moment that our Government have not acted or have failed to understand the issues. Indeed, I pay tribute to my hon. Friend the Financial Secretary who has done so much, along with his colleagues in the Treasury, to ensure that we have a green strategy. Our Government have led the international climate change negotiations and pushed through targets on carbon dioxide and greenhouse gas reductions. However, the pace of environmental devastation around the world demands that we act more quickly.

Our legislative and regulatory procedures can be cumbersome. Our need to modernise government and to bring together Departments of state with industry is understood. However, as the Environmental Audit Committee, on which I sit, has shown, it is not always a straightforward matter to put sustainability at the heart of Government policy where perhaps there are vested interests and traditional ways of doing things. Ministers and senior civil servants need a changed culture where they can show leadership, introduce cross-cutting policies and come up with workable solutions before it is too late. Nowhere is that more important than on the issue of renewables.

We are at the cusp of a policy change. In 1997, this Government inherited the position of bottom of the European renewable energy league table—Sweden topped the league with more than a quarter of its energy produced from renewables. We are now, as my hon. Friend the Member for Harrow, West (Mr. Thomas) and others have so eloquently set out, reached the point where the knowledge-based economy meets the environment, where market-based solutions deliver reductions in carbon dioxide emissions and where there are opportunities to modernise and enhance our industrial and manufacturing competitiveness by developing new technologies and expertise. My Bill seeks to exploit those opportunities.

The Government are doing much through their response to the consultation paper on new and renewable energy, through changes in the Utilities Bill, through the further consultation on the precise nature of the obligation—I would like to see such an obligation in the Bill—and in the comprehensive spending review, and I direct those points to my hon. Friend the Financial Secretary. They are also doing much through the implementation of the climate change levy in the Budget, through the £20 million of the £50 million that is likely to come to renewables, through regional development agencies being asked to oversee regional strategies—I hope that they will do that in the west midlands—through changes to the planning system, through research and through the ALTENER European research project. However, are they doing enough and are the mechanisms in place to strike the partnerships with industry, local authorities and people across the United Kingdom that now need to be made?

The Government must champion and lead us to radical and streamlined policies, and do so quickly. We need a body to do that. I do not care whether it is a sustainable energy agency, a ministerial steering group or a Cabinet Office-led liaison group, but it must draw up deadlines and cross-cutting measures that will prioritise renewables, in particular energy technologies and non-convergent renewables.

I welcome the Government's commitment to the honouring of the non-fossil fuel obligation, but in the new world of renewable energy obligations we need flexibility as well—a fresh definition of renewables so that we promote clean technologies and a system of banding to give support when it is in our long-term interests to do so. Then, we must make sure that certain technologies do not get left behind. Suppliers are likely to target technologies that will cost the least, but that is not necessarily in our long-term interests.

A framework of support is required for specific technologies, especially as the only grant-aid framework resulting from the climate change levy is likely to be insufficient to provide the kick start that is needed. We need a forum over and above the process of consultation and a response that allows the Government to engage fully with renewable energy industries.

British Bioenergy points to the huge potential for non-convergent renewable energy technologies in terms of energy and jobs. In the UK, crops on 15 per cent. of agricultural land would supply 20 per cent. of the country's electricity. With Ministry of Agriculture, Fisheries and Food, Treasury and Department of Trade and Industry support for market stimulation, there could be £4 billion of investment and 36,000 new jobs within 10 years. As capital grants of £50 million to £60 million are needed to lever investment to £4 billion, it is clear that the estimated £20 million from the climate change levy is not enough.

Let us consider offshore wind. Britain has the largest resource in Europe, technically sufficient for three times the UK's total electricity needs. Last year, only 18 MW of wind energy capacity was brought on line, in contrast to 1,600 MW in Germany, 650 MW in Spain and 300 MW in Denmark. Despite the fact that we have 33 per cent. of the cost-effective wind resource in Europe, only 4 per cent. of capacity is based in the UK.

The UK has a thriving component supply industry. Marine renewable energy sources require exactly the world-leading maritime engineering skills that the UK has

[Ms Joan Walley]

acquired for its North sea fossil fuel resources. If the UK got 10 per cent. of its electricity from offshore wind by 2010, more than 30,000 jobs would be created.

Could the comprehensive spending review, which is now under way, embrace a final transitional offshore round of the non-fossil fuel obligation, to build on the experience gained in installing the UK's first offshore turbines at Blyth harbour, and so ease the transition between the existing pool price and the new electricity trading agreements? How about a maritime renewables centre of excellence to enable UK industry to capture a share of the vast global markets that those energies represent? That would assist manufacturing across the UK.

Potential solar power householders face an uphill struggle. To encourage solar power and other embedded sources of generation such as community wind projects, the electricity generator should have powers under the Utilities Bill to compel electricity companies to introduce net metering and premium price provisions.

Already, large companies such as BP are taking an interest in investment abroad. That is not altogether surprising, given the boost for renewable sources of energy from the new legislation introduced, for example, in the Berlin Parliament on 1 April. There, the Government have taken urgent steps to ensure that the price paid for electricity generated by using renewable sources of energy is high enough to allow various types of systems to operate on an economically viable basis, thereby enabling the mass production of such equipment and bringing about lower prices.

Germany also has a 100,000 roofs programme to make extensive use of photovoltaic technology. Germany's targets go well beyond 2010 to 2050, and it is investing now for the long term. By comparison, solar power in this country is likely to become convergent only in the long term, after 2010. However, Eastern Energy, part of TXV Europe, has, in conjunction with Greenpeace, instigated a 1,000 roofs campaign through the introduction of net metering, so convinced is the company that net metering is vital to the nurturing of a major new solar industry. Solar power is an opportunity for the UK to capture a share of the jobs and money in the expanding global photovoltaic industry, which grew by 32 per cent. last year. Debates in the Standing Committee that is considering the Utilities Bill and replies to my questions suggest that net metering is still not part of our energy policy. I should like to see embedded generation back on the agenda and Eastern Energy's demonstration project adopted nationally.

I end with what led me to begin the debate. My constituency, Stoke-on-Trent, North, was part of the north Staffordshire coalfield, where now-abandoned collieries helped to make us the powerhouse and manufacturing base of the past. I hope that my Bill will help us to become the powerhouse of the future through our emphasis on renewable energy.

Question put and agreed to.

Bill ordered to be brought in by Ms Joan Walley, Mr. Frank Cook, Mr. Gareth R. Thomas, Mr. Tony Colman, Mrs. Helen Brinton and Valerie Davey.

Renewable Energy

Ms Joan Walley accordingly presented a Bill to require the Government to draw up a strategy for promoting non-convergent renewable energy technologies: And the same was read the First time; and ordered to be read a Second time on Friday 21 July, and to be printed [Bill 120].

Orders of the Day

Finance Bill

(Clauses 1, 12, 30, 31, 59, 102 and 113)

Considered in Committee.

[SIR ALAN HASELHURST *in the Chair*]

Clause 1

RATE OF DUTY ON BEER

4.40 pm

Mr. David Heathcoat-Amory (Wells): I beg to move amendment No. 1, in page 1, line 19, at end add

'but shall cease to have effect on 1st August 2000 unless the Treasury has published an independent report setting out the effect of the present alcohol liquor duties on smuggling.'.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this it will be convenient to discuss the following: Amendment No. 8, in clause 12, page 7, leave out lines 7 to 15 and insert—

'TABLE—

1. Cigarettes	*An amount equal to 20 per cent. of the Retail price plus £55.95 per thousand cigarettes.*
2. Cigars	*£50.95 per kilogram.*
3. Hand-rolling tobacco	*£21.95 per kilogram.*
4. Other smoking tobacco and chewing tobacco	*£21.95 per kilogram.'.*

Amendment No. 2, in clause 12, page 7, line 17, at end add

'but shall cease to have effect on 1st August 2000 unless the Treasury has published an independent report setting out the effect of the present tobacco products duty on smuggling.'.

Clause 12 stand part.

Mr. Heathcoat-Amory: The amendments deal with excise duties, on which the Government have an unsustainable and self-defeating policy. It creates rather than solves social problems, encourages criminality and sometimes leads to a fall in revenue.

Alcohol and road fuel duties increased by a further 3.4 per cent. in the Budget. That is something of a fiddle. The Chancellor said in the Budget speech that those duties would increase only in line with inflation; the figure of 3.4 per cent. appears nowhere in the Budget document.

Furthermore, the Government have changed the rules for calculating inflation. Contrary to what the Paymaster General told my hon. Friend the Member for Arundel and South Downs (Mr. Flight) on Second Reading, the rule was not inherited from the previous Government. They introduced the rule not to take the actual rate of inflation—or the historic rate—up to the date of the Budget but to predict an inflation rate. The arithmetic that is currently before the Committee is massively to the advantage of the Treasury.

It is interesting that the Government have applied the figure of 3.4 per cent. only to uprating excise duties. When it suits the Treasury, the Government have used a lower inflation rate. All personal allowances have therefore been uprated not by 3.4 per cent. but by 1.1 per cent. The idea of applying an overall indexation figure across the board has given way to an elastic concept of taking the inflation rate that suits the Treasury. That has netted the Government an extra £750 million. That is the difference between the actual inflation rate and that which the Government use when it suits them to uprate the indirect taxes that we are considering.

There is also a more serious issue. To put it bluntly, the Government are up a gum tree on their excise duty strategy. The gap between United Kingdom and continental duty rates on road fuels, alcohol and tobacco products is wide and increasing in every Budget. In a single market, that is unsustainable. It leads to smuggling and a loss of revenue.

Dr. Nick Palmer (Broxtowe): I agree with the right hon. Gentleman that the widening gap is not sustainable in a single market. Does he agree that greater efforts should be made to promote tax harmonisation in the European Union?

4.45 pm

Mr. Heathcoat-Amory: Tax harmonisation through the European Commission is not necessary; all the Government need do is listen to what the market is telling them. Unlike the Labour party, we are in favour not of a bureaucratically imposed harmonisation policy, but of a market-driven single market. I think that the hon. Gentleman agrees that the market is clearly telling the Government that the present duty differential is unsustainable. However, he is right in that there is something truly bizarre about a Government who pursue tax harmonisation in Europe except for excise duties, which they are disharmonising. They are making the wide duty differential between ourselves and the continent worse. He would agree that that is the prime cause of the smuggling, criminality and loss of revenue.

Dr. Palmer *rose—*

Mr. Nigel Beard (Bexleyheath and Crayford) *rose—*

Mr. Heathcoat-Amory: I give way to the hon. Member for Bexleyheath and Crayford (Mr. Beard).

Mr. Beard: If the Government were to take note of what the right hon. Gentleman says and reduce duties to the level of those on the continent so that no such gap existed, how should they make good the loss of revenue?

Mr. Heathcoat-Amory: That cannot be done all at once, but we faced up to the issue. We are not telling the Government to act on a problem that we did not recognise and do something about. When we faced a similar situation with the smuggling of beer and other alcohol products, we froze alcohol duties in our last two Budgets. We cut them in real terms precisely to start the long march downwards to a more sustainable indirect tax policy.

We cut the duty on spirits, especially whisky, in our last two Budgets, despite the fact that we had to contend with a Budget deficit, and we responded in the only way in which a Government should: we considered the causes

[Mr. Heathcoat-Amory]

of the problem rather than simply dealing with the symptoms. Regrettably, this Government ignored all the warnings and made a serious problem much worse.

Mr. John Bercow (Buckingham): Does my right hon. Friend agree that Ministers are ignoring not only the warnings that he and others gave before the election, but their own statements? Does he recall that on 23 January 1995, the hon. Member for Bristol, South (Dawn Primarolo), now the Paymaster General, opposed swingeing increases in tobacco duty precisely on the ground that such increases would play into the hands of the smugglers? Clearly, she has committed a tergivisation. Should not we be told why that is so?

Mr. Heathcoat-Amory: I wish the Paymaster General were here to answer that question. I strongly suspect that the Government have no answer. They recognised the problem in opposition; in government they have not only failed to deal with it, but have made it worse.

Tobacco presents perhaps the most serious problem, but they have increased the price of legal cigarettes by 25 per cent. I refer to legal cigarettes because they cannot increase the price of illegal tobacco. They have piled the increases on to legally sold cigarettes and tobacco products so people have increasingly switched to illegal tobacco products. The average price of cigarettes bought in this country has probably fallen during that time. That has benefited not Treasury revenue and the legitimate trade, but the smugglers and criminal gangs. The result is more smuggling and more smoking. We face not only a failed law and order policy, but a failed health policy.

The Financial Secretary to the Treasury (Mr. Stephen Timms): The shadow Secretary of State for Health, the hon. Member for Woodspring (Dr. Fox), has rightly said that tobacco duty increases send out the correct health message. Given the different view that the right hon. Gentleman has expressed, can he tell the Committee what discussions he has had with his hon. Friend?

Mr. Heathcoat-Amory: I have just answered that point. I said that the Government had increased the duty, but that the average price of cigarettes had probably fallen because people were switching to illegally sold tobacco products. If it were somehow magically true that the Treasury could increase the price of all tobacco products, that might have a beneficial health effect, but it is not what is happening. An increasing number of people are obtaining cigarettes and hand-rolling tobacco from illegal, cheap sources. It is now estimated that 5 million smokers in this country routinely supply their everyday needs from the illegitimate market, in which the price has fallen rather than risen.

Not only is that a failed health policy, because more people are taking up smoking, it is a policy which cheats the Revenue. The Government's own figures show that the revenue losses on tobacco alone as a result of smuggling amount to £2.5 billion a year. Moreover, the policy is massively regressive. In so far as people do buy illegal cigarettes, they tend to be members of lower-income groups. I do not think that Labour Members have given up caring about the regressive nature of their Budgets, but they ought to listen to their constituents. In my area, certainly, I find that it is those who can least afford to buy cigarettes who appear to be smoking. I exempt my hon. Friend the Member for Arundel and South Downs, who is the only member of the shadow Treasury team who smokes. He is something of an exception: I think it is common knowledge that, in general, the poorer income groups smoke the most.

We have a policy that hits the legitimate market and boosts the illegal market—and this from a Government who came to office boasting that they would be tough not only on crime, but on the causes of crime. In this instance, the cause of crime is a completely unsustainable tax and duty policy.

Mr. Christopher Leslie (Shipley): Instead of trying to justify and make excuses for smuggling and criminality, why does the right hon. Gentleman not commit himself to, say, spending more on Customs and Excise?

Mr. Heathcoat-Amory: Because that will not work. I shall say more in a moment about the Government's failed policies. They are launching an initiative this year—it is not the first; they have launched others in the past—to do precisely what the hon. Gentleman suggests, and recruit more Customs and Excise officers and civil servants. Meanwhile, the situation continues to get worse because the Government are not dealing with the cause of the crime. Instead, they have come up with a new wheeze: they are trying to sound responsible and respectable by saying that the extra revenue from the tobacco tax will be spent on the national health service.

Here again, the Government are in something of a muddle over exactly what sums they are talking about. The Chancellor of the Exchequer said that the increased revenue would amount to £300 million in the coming year. Not to be outdone, the Prime Minister said a few weeks later that it would amount to £400 million. Two weeks after that, the Chief Secretary to the Treasury said that it would amount to only £235 million. It is not surprising that the Government do not know how much extra revenue the policy will give them. Last year, the revenue from tobacco duty actually fell by £2.5 billion. It was lucky that the NHS was not dependent on that revenue.

A report published by the Government at the time of the Budget refers to the huge number of people now engaged in illegal trade. Page 6 of that report states that

> the numbers of people involved in the buying and selling of smuggled goods has risen to many thousands, possibly millions.

The report also says that smuggling is on a strong upward trend.

Mr. Desmond Swayne (New Forest, West): Over the weekend, I enjoyed the company of a house guest. On Sunday lunchtime, he went to the pub in a very prosperous part of Hampshire. Having expressed an interest in buying some cigarettes over the counter, he was approached by two potential salesmen offering to sell him 200. That was in rural Hampshire.

Mr. Heathcoat-Amory: My hon. Friend is right. The problem is no longer confined to the channel ports and to the south coast, it is nationwide.

An alarming development—to which perhaps my hon. Friend alludes—is that people are beginning to think that they are not doing anything wrong in buying smuggled

goods. Indeed, they are not committing a crime—there is nothing illegal about buying smuggled cigarettes; the illegality is only in selling them. Respectable and responsible people are increasingly saying that if the Government are so stupid as to defy common sense in that way, making a bad situation worse, is it really a crime? That is a worrying development.

In addition, the Government's whole policy undermines the legitimate trade. Small shopkeepers are constantly being harassed by the police for selling cigarettes to under-age smokers. They are fined for selling cigarettes to people under the age of 16, but meanwhile the Government are implementing a policy that encourages under-age smoking because of the vast and growing illicit market operating throughout the country through uncontrolled outlets. Is it any wonder that smoking among young people is increasing again? The only response that the Government have to that very serious problem—the epidemic of smuggling—is to launch yet another campaign.

Mr. Barry Gardiner (Brent, North): Will the right hon. Gentleman confirm that the Government are looking at the practice of forestalling in the industry, which has been responsible for a large amount of the drop in revenue? That practice by the manufacturers, whereby they clear a large amount of their product through pre-Budget prices and then only a very small amount of their product after the Budget, is one of reasons why there has been a loss to the Revenue and why an even greater loss is predicated for next year. It has little to do with smuggling. The Government are seeking to tackle that industry problem.

Mr. Heathcoat-Amory: Again, the Government are tackling the wrong end of the problem. They are dealing not with the cause of the problem, but with its symptoms. Simply fiddling around with the forestalling problem will do nothing to stop the underlying illegality and smuggling. If the hon. Gentleman really thinks that some changes in the way in which tobacco manufacturers pay their tax will deal with the issue that I have described, he fails to understand not only the issue, but the Government's literature. Their own report described in graphic terms the scale of the problem facing the country because of smuggling.

I was about to describe a previous Government initiative. They have just launched a new proposal to recruit and deploy almost 1,000 extra civil servants, but they have done all that before. On page 73 of the pre-Budget report of November 1998, they set out a great new initiative called the alcohol and tobacco fraud review, including extra resources, recruitment of new staff, tougher policies on the prosecution of offenders and on seized vehicles, the introduction of sentencing guidelines and the revocation of licences from businesses caught smuggling. What happened? The situation went on getting worse.

I shall give perhaps the most eloquent example of that. Based on that previous initiative, the Government supposed that their revenue for 1999–2000 from tobacco products would be £8.9 billion. In fact, it was £5.7 billion. That is a staggering undershoot. They lost more than £3 billion because of the failure of their initiative to halt smuggling, so that is the answer to the hon. Member for Shipley (Mr. Leslie).

One can have all the anti-smuggling initiatives in the world, but they will not work until one tackles the root cause of smuggling. Exactly that point applies to the initiative that the Government are launching on the back of their just-published report. The seeds of the Government's failure is written into that report, in which their own figures show that smuggling will worsen in the next three years. Even Ministers say that the initiative will not solve the problem and that, indeed, the problem will worsen. If Ministers say that it will get worse, I think that we are entitled to believe them on that point.

5 pm

The Government are dealing with the symptoms of smuggling, not with its causes. Today, we should like to hear from Ministers a real report on the real causes of smuggling. They asked Mr. Martin Taylor, who is a distinguished business man, to do a report on that very issue. He reported to the Government, but that report is secret. We have previously heard from Ministers much waffle and windy rhetoric about openness, the public's right to know and accountability, and that everything would be published and in the open—but, although they have commissioned a report from an outside business man into the very issue of the causes and consequences of smuggling and what to do about it, that report is secret.

Mr. Michael Fallon (Sevenoaks): My right hon. Friend has described the report as secret, but is he aware that Ministers, in their reply to the Treasury Committee's report, described the Taylor report as "personal"? How can a report commissioned by the Chancellor of the Exchequer be described as his personal property?

Mr. Heathcoat-Amory: My hon. Friend is absolutely right—taxpayers paid for that report, and it is not personal at all. The report was not going to be personal until Ministers read it and realised that it was rather embarrassing. Suddenly, the report has become very personal and secret.

It is widely known in the trade that Mr. Martin Taylor, being a man of common sense, included in a letter attached to the report the commonsense observation that if we really wants to do something about smuggling, we have to do something about the duty differential between the United Kingdom and the continent. As publication of that observation would be too embarrassing for the Government, they have suppressed it.

There is a similar situation in the alcohol products market. I shall not repeat the points that I have already made, but they apply in very much the same way in that market—in which, for example, the licensed trade is being undermined by the Government. It took several hundred years to build up a responsible, licensed trade in the United Kingdom, so that people could drink in responsible surroundings in which alcoholic drinks should not be sold to minors. It is quite a considerable achievement. The Government, however, are putting at risk and undermining entirely that achievement by presiding over a disorderly market in which drink is sold in uncontrolled outlets to minors and others.

The cause of that situation is staring the Government in the face: it is, again, a large and growing duty differential. The difference in beer duty between the United Kingdom and France, for example, is about 30p.

[Mr. Heathcoat-Amory]

Other European countries have faced exactly the same problem. Historically, all of the Nordic countries and Ireland have, like the United Kingdom, had high alcohol duties. However, when those countries joined the single market and faced the demands that it imposed, all of them cut their duties on alcoholic products. Only the United Kingdom Government are defying logic and common sense by increasing duties in every Budget, making a serious problem worse.

Mr. Dale Campbell-Savours (Workington): If Conservative Members believe that those duties should be cut, how would they compensate for the lost revenue?

Mr. Heathcoat-Amory: If the hon. Gentleman had been listening, he would know that no compensation is necessary as the policy is costing the Government money. Last year, the duties received on tobacco products decreased. If he really wants to understand the issue, he should read the Government's own documents on the matter. The situation is crazy, undermining not only health and crime policies, but revenue policy.

Of course, there are winners from the policy. They include the criminal gangs—which may well be operating in the hon. Gentleman's constituency—and the smugglers. There is a Treasury that benefits from the policy, but it is the French Treasury. There is a retail industry that benefits as well, but it is based in Calais. The losers are the legitimate outlets, including the retailers and traders and, when it comes to alcohol, the brewers and their suppliers—as well, of course, as the British taxpayer. We want to put an end to that.

We are faced with the policy of a madhouse. We want an unvarnished independent review that sets out the link between the level of duty and the level of smuggling. If the Government believe that the high level of duty is not the cause of the criminality, let them show it by commissioning an independent report and being brave enough to publish the results.

Mr. Bercow: Given that on average more than 80 per cent. of the cost of a packet of cigarettes finds its way to Treasury coffers, does my right hon. Friend agree that if Ministers regard that as a harmless phenomenon, they owe it to the House to tell us for what proportion of the total cost of a packet of cigarettes excise duties should ultimately account?

Mr. Heathcoat-Amory: My hon. Friend is right. That could well be included in the report for which we are calling. We want a comprehensive look at the entire structure of alcohol and tobacco duties and the link between prices and smuggling. There are many examples from around the world on which to draw. Canada faced a similar problem and successfully stopped the smuggling by cutting its duties. The Nordic countries have done the same. There are plenty of examples and information available, but the Government are too scared to put the issue to the test of an independent review that they would then publish. Unless and until the Government come forward with the information that we want, we shall vote against the duty increases.

Dr. Palmer: I was interested by the comments of the right hon. Member for Wells (Mr. Heathcoat-Amory). I have not yet fully understood whether the Conservatives are opposed to the duty levels because they feel that they are conducive to smuggling—that was the only argument that he advanced—or whether they wish for lower duties per se. If the Government's new initiatives with the tobacco industry on clearer labelling for duty-paid cigarettes succeed in reducing smuggling, will the Conservatives accept the health argument for high levels of taxation, or will they adopt the populist argument– a tactic that they seem to be flirting with in other policy areas—that cigarettes ought to be cheap?

That goes to the heart of the amendment. If it stands or falls on the issue of smuggling alone, the Opposition are saying that they have no objection in principle to high rates of duty. It would be helpful if that could be clarified.

Sir Michael Spicer (West Worcestershire): Another pertinent question might be whether the hon. Gentleman accepts and approves of the regressive nature of the taxes.

Dr. Palmer: I am grateful for that intervention. Rather than looking at single taxes, where arguments could weigh one way or the other, we should consider the overall impact of direct and indirect taxation. One of the most welcome features of the current Government has been the substantial redistributive impact of taxation as a whole. I would be surprised to hear the hon. Gentleman welcome that, but if he wishes to join those favouring redistribution, he will be welcome on this side of the House.

I was curious about the suggestion by the right hon. Member for Wells that taxation is set by a free market. That is an interesting concept, because there is no market in the usual sense of buying and selling. However, there is a good deal of international debate about the tendency of international free trade to encourage a movement of taxation to the lowest possible level that any country may choose to impose, just as there is a tendency to encourage movement to the lowest possible standards.

When I lived in Switzerland, I saw embarrassing advertisements by the British Council, encouraging companies to move to Britain on the grounds that wages, taxes and Government interference were lower. I remember asking Swiss employers whether that was significant for them. They said that it was nice to pay less money, but that the primary factor for them was the relatively low level of education and infrastructure in Britain.

The right hon. Member for Wells is attempting simultaneously to satisfy the more populist elements of his constituency, which favour low levels of indirect taxation, while attempting to remain on this side of respectability by disguising it as an attack on smuggling. He said that small shopkeepers are constantly harassed to prevent under-age smoking. Is he saying that he would prefer that small shopkeepers were not approached—I will not use the word harassed—to discourage under-age smoking? Is he saying that under-age smoking should be left to the free market? Is he saying that because there is a difficulty in discouraging under-age smoking when those concerned buy from smugglers, we should give up on attempting to persuade shopkeepers not to supply under-age smokers?

Mr. Heathcoat-Amory: Before the hon. Gentleman wastes any more of the House's time by distorting

my argument, may I remind him that I was making the point that it is no good simply harassing small shopkeepers to prevent under-age smoking when it is the Government who ought to be addressing the problem? The Government should stop running a policy that encourages the distribution of tobacco products in uncontrolled outlets, which has increased and is increasing the incidence of under-age smoking. The Government should start by taking action themselves, rather than putting the problem on to small shopkeepers.

Dr. Palmer: I am still struck by the repeated use of the word "harassment". The right hon. Gentleman is using his criticism of the rate of duty to side with the less responsible small shopkeepers who object to the police keeping an eye on them to discourage their sale of cigarettes to under-age purchasers. Is he willing to state clearly that the Opposition are strongly in favour of small shopkeepers being discouraged from selling to under-age children?

Mr. Heathcoat-Amory: Of course we are, but the Government must play their part. It is no good simply expecting the legitimate trade to bear the full burden of preventing under-age smoking when the Government are pulling in the opposite direction—and hypocritically urging action against small shopkeepers—when the Government themselves are responsible for a policy that is increasing the incidence of under-age smoking, as is shown by the regrettable statistic that the number of people in the younger age brackets who are taking up smoking is increasing.

5.15 pm

Dr. Palmer: We may understand then that Conservative policy is to support what the right hon. Gentleman earlier called the harassment of small shopkeepers to prevent them from selling to under-age smokers, as long as the Government also take the action that he wishes to see.

Mr. Gardiner: Does my hon. Friend agree that the right hon. Member for Wells (Mr. Heathcoat-Amory) has just undermined his own argument? He stated that the increased duties have caused an increase in illegal sales, which means that children are increasingly buying tobacco and cigarettes, but he also argues that that is cause for harassing legitimate outfits. If under-age consumers of tobacco are buying it on the black market, it makes no sense for him to urge the harassment of shopkeepers with legitimate businesses.

Dr. Palmer: I am grateful to my hon. Friend for his well-expressed point, which shows the basic weakness of the Opposition's position. I do not wish to take up the House's time too much—

Mr. Eric Forth (Bromley and Chislehurst): Go on.

Dr. Palmer: I knew that that would please the right hon. Gentleman.

As a Nottingham Member, I share the concerns of other hon. Members who represent cigarette producing areas about smuggling. We need to do more to eliminate the similarity of smuggled goods to legitimately produced goods, and I welcome the joint Government-industry initiative on that, which the right hon. Member for Wells failed to mention. Tax harmonisation with the European Union on tobacco also makes sense, and the industry has repeatedly said that it would welcome that.

The amendment is totally one-sided. It is selective and looks only at one aspect of the problem. As such, it is not a serious alternative to clause 1.

Mr. Forth: This debate is rapidly becoming a combination of political correctness, economic illiteracy, wishful thinking and nanny-statism, all wrapped up into one bizarre package. We have what would appear to most people to be an obvious argument that, for reasons that I hope the Minister will explain when he replies to the debate, the Government are unable or unwilling to grasp. It is obvious to the Opposition, and to almost everybody outside the House. Smokers and non-smokers, people who buy legitimate or smuggled cigarettes, and small and large shopkeepers all know what is going on, and they cannot see the point of the exercise. However, the Government persist with their sterile and damaging policy. The Minister must give us a thorough explanation of what the Government think that they are doing, whether they accept what is happening, and where the Government think that their policy is leading.

There is a peculiar analogy to be made for this debate, because it is all bound up in the politically correct policies that we have become more and more accustomed to from the Government. For example, an environmental argument is introduced when they seek to justify their swingeing increases in vehicle petrol duties. At the same time, they have reduced taxation on domestic fuel, which produces even more pollution than vehicle emissions. The Government have failed to justify that. In this case, taxation is allegedly used as part of health policy, but it is patently failing. Not only is it not yielding the revenues, but—as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) pointed out—the incidence of smoking is increasing. On every possible count, the policy is failing.

We need a full explanation from the Government of whether they will accept amendment No. 8 and if not, why not.

Mr. Beard: Is not there a paradox in the right hon. Gentleman's argument? He complains that the incidence of smoking is increasing, and especially among young people, yet Conservative policy is that the markets would somehow harmonise prices on the continent and in Britain. Is not that essentially the same as saying that we ought to harmonise taxes? However, if taxes were harmonised, the price of cigarettes would fall further. As a result, even more people would smoke, and even more children would acquire the habit. Does not that run totally contrary to any sensible health or revenue policy?

Likewise, the right hon. Gentleman—

The Chairman: Order. This is developing into a mini-speech. The hon. Gentleman should ration his remarks.

Mr. Forth: I am delighted to have the opportunity to answer at length the points raised by the hon. Member for Bexleyheath and Crayford (Mr. Beard). I shall seek to do so while—I hope—staying strictly in order.

[Mr. Forth]

I am sure that the hon. Gentleman was here a moment ago when my right hon. Friend the Member for Wells took great pains to explain the matter. I am not in favour of tax harmonisation, in the European Union or anywhere else. However, I have just returned from the United States of America, where there is a single market and a single currency. There is no single currency in the North American Free Trade Agreement: Canada and Mexico proudly retain their own currencies while taking part in a very satisfactory free trade arrangement.

As my right hon. Friend explained so eloquently a short time ago, there is in the United States a tendency for tax levels not to diverge so excessively as to give rise to a lot of cross-border smuggling between states. That is a perfectly natural, market-driven process, and it is worlds apart from the heavy-handed, bureaucratic, ideological process favoured by Labour Members. They want someone in Frankfurt or Brussels to impose tax rates and regimes on this country. We oppose that completely but, as my right hon. Friend said, we have no objection to the evolution of proper tax regimes in different parts of a single market, as long as that single market continues to function.

Worse, the hon. Member for Bexleyheath and Crayford has not grasped that we used to have a proper market in these products. They were sold through properly regulated and supervised outlets, and there was a perfectly reasonable regime governing sales to under-age people, and so on. However, now that a growing proportion of the market is attributed to smuggled goods, we have no chance of regulating or supervising the market in any way.

We want to find a way to restore an orderly market in these products. It is right that that market should be regulated with regard to under-age consumers, but I believe that the decision about using the product should be left to the mature judgment of people of a proper age, based on proper information from the Government.

Mr. Campbell-Savours: The right hon. Gentleman is almost a convert. He expresses support for the principle that there is a tendency to equalise taxation, as happens in the free trade area in the United States of America, but does he see Europe in the same way? Does he believe that there should be a tendency to equalise all forms of taxation in the European Union? How would he justify that?

Mr. Forth: Again, the hon. Gentleman must have fallen asleep temporarily when I drew my preferred analogy. I shall not use the analogy that he used, as I prefer my own, which concerns NAFTA. That arrangement is perfectly satisfactory to the Canadians, Americans and Mexicans, but has no single currency or overarching bureaucracy. However, I am watching you, Sir Alan, as I do not want to stray out of order.

Sir Michael Spicer: Will my right hon. Friend give way?

Mr. Forth: I will, but I hope that my hon. Friend will not tempt me much further down this line of argument. If he does, I shall blame him for what you might say, Sir Alan.

Sir Michael Spicer: I am most grateful to my right hon. Friend, who does not need my help to cope with mischievous questions from Labour Members. However, does he agree that, with cigarettes in particular, the differential between taxes in European Union countries and taxes in countries outside the EU is more important than tax differentials inside the EU?

Mr. Forth: My hon. Friend makes a very proper point. It is at the root of what we are disputing.

My right hon. Friend the Member for Wells eloquently set out these obvious and basic factors, and we await the Minister's reply. I have no doubt that he will want to set out in detail the Government's response to those points and explain whether they will accept amendment No. 8, which would be a significant contribution to solving the problem.

Mr. Roger Casale (Wimbledon): At the start of his remarks, the right hon. Gentleman referred to economic literacy. The economics of his proposed changes to discourage smuggling—a freeze, as I understand it, on the level of tobacco duty—mean that the overall tax revenue from tobacco duty would either go up or down. It might go up because there would be less smuggling and more people would buy cigarettes legally. Equally, if the rate of revenue received goes down, the amount of overall revenue would probably go down. If tax revenue were to increase, would he commit to spending that extra money on the national health service, as the Government are doing? If it goes down, how would he replace that money, or would it be taken out of the NHS, resulting in cuts to the service? Where would the money be spent if the revenue were to increase as a result of his proposals, and where would it come from to compensate for any reduction?

The Chairman: Order. The hon. Gentleman is getting near to a peroration.

Mr. Forth: These are helpful interventions. I will reply briefly to the hon. Gentleman's question. I do not believe in hypothecation, which is a self-defeating exercise. I can see why the Government have done it—for their usual populist, trivial, short-term reasons. As I do not agree with hypothecation, I do not need to answer the hon. Gentleman's question in the way in which it was put.

My judgment is that were my amendment to be accepted, the reduction in tobacco product prices would regularise and restore the market to where it was some time ago. Revenues overall would probably go up, and products would be sold in a more orderly market rather than one which is becoming increasingly illegal and based on smuggling. That would have a number of consequences. At present, we cannot, as effectively as we would wish, seek to prevent under-age children from smoking. That purpose is shared across the House. I believe that we have a duty, as effectively as possible, to seek to prevent our young people from taking up smoking, but once they reach the age of, say, 18, our duty is properly to inform them of the dangers of consuming that product and then leave it to their judgment.

Mr. Casale: I am grateful to the right hon. Gentleman for giving way a second time. Is he saying that he would like more money to be raised for the Exchequer through the sale of tobacco?

Mr. Forth: I would be very happy if that were the case. That is the way it used to be, and I believe that my

amendment would lead us in that direction. That is why I hope that the Minister will consider it sympathetically and perhaps give a positive response.

Mr. Bercow: If tax rises continue to depress revenues and to advance other countries' tobacco industries at the expense of our own, should we not be told by Ministers whether, on the strength of the evidence, they would be prepared to change policy, or whether they intend to continue with the existing foolhardy policy for fear otherwise of having the finger pointed at them by the politically correct fetishists?

5.30 pm

Mr. Forth: I am certain that that is uppermost in Ministers' minds, because these days it usually is. We know that the Government are driven almost solely by focus groups, opinion polls and probably by fetishists as well, as my hon. Friend suggests. The Government are not driven, regrettably, by economic literacy, cool analysis or a genuine desire to introduce policies that make sense. However, the Minister will have a chance to redeem himself and the Government when he seeks to catch your eye, Sir Alan, and we look forward to that very much.

I want to introduce some figures into the debate to illustrate the extent of the problem. I have been told, and have every reason to believe the figures reliable, that a typical pack of 20 king size cigarettes costs £4.17 in the UK at full retail and with full tax paid. On the continent, the price varies from as low as £1.25 in Greece to £1.84 in Belgium. That huge differential explains the enormous and increasing propensity for smuggling.

My hon. Friend the Member for New Forest, West (Mr. Swayne) described the kind of offer that most of us will have experienced. Smuggled tobacco and alcohol products are regularly and illegally, but temptingly, offered to people in every part of the United Kingdom. That explains the figures given earlier by my right hon. Friend the Member for Wells about the fall in revenue and the increasing proportion of the total market represented by smuggled product. Price differentials drive that process.

I have heard anecdotally of prices as low as £1 a pack for 20 cigarettes. The tobacco industry suggests that the going rate on the black market is about £2.50. Even that price tempts the consumer and makes smuggling profitable. The Government are losing an increasing amount of revenue as a result, as well as losing any possibility of exercising regulatory control, particularly over the sale of products to under-age children.

Mr. John Swinney (North Tayside): Does the right hon. Gentleman recall from his experience in the previous Government whether debates about the growing disparity between duty in this country and that in some of our European neighbours ever influenced the decisions then taken to increase fuel duty sharply ahead of inflation? I seem to recall that the Conservatives did that during their period in office.

Mr. Forth: Many things happened during the glorious period of Conservative Government which I regretted at the time, or, frankly, regret with hindsight. As it happens, that policy was one of them. I never accepted the alleged environmental arguments or the effect that the policy was supposed to have on the product. I am not aware that swingeing increases in tax on petrol for vehicles has led to any diminution in the mileage travelled by individuals or the propensity to buy vehicles that consume a lot of petrol. The policy has been a successful revenue raiser, but it has done damn all for the environment.

Mr. Bercow: I can confirm the veracity of what my right hon. Friend has said about his attitude to excise duties. As long ago as 1989, at a conference in Nottingham, in an admirable speech made while he was a member of the Government, but in front of a private audience, he expressed his opposition to higher excise duties on tobacco and alcohol. I remember it well.

Mr. Forth: I am grateful to my hon. Friend, whose memory in these matters is legendary. I defer to him totally in what he says.

The Government's policy is disastrous from almost every conceivable point of view. Revenue is going down, smuggling is going up and our ability to regulate the product properly for youngsters is reducing.

Liz Blackman (Erewash): Is the right hon. Gentleman aware that countries such as Spain and Italy have their own smuggling problems despite having considerably less excise duty on their tobacco products than we do? Is not the logic of his point that combating the problem would mean the complete removal of excise duty? Is that what he really proposes?

Mr. Forth: The countries mentioned by the hon. Lady must deal with their own markets and domestic policies in their own ways. That is a vital principle. However, as my right hon. Friend the Member for Wells said, they must, in doing so, have reasonable, sensible and proper regard to the effects of the single European market that allegedly exists. They would have to consider possible cross-border movements of products before they made up their minds. In fact, their problem is the reverse of ours. If, as the hon. Lady says, countries such as Spain believe that they have a health problem related to the consumption of tobacco, that is a matter for them.

Liz Blackman: I was trying to make the point that their problem with smuggled tobacco goes well beyond the EU. That tobacco is also coming into this country. Logically, combating the price differential would require removing excise duty altogether. Is the right hon. Gentleman seriously proposing that?

Mr. Forth: If the hon. Lady is saying that our European partners have lousy border controls and no grip on what goes into their countries from outside the EU, I should not dispute that for a moment. That is one of the factors that we should take into account when considering our relationship with the EU as a whole—whether on asylum and immigration or on the import of products from outside the EU. She and I probably do not disagree much on that. If she says that there is a huge problem, she is probably right. Let us discuss that, but not in the context of the amendment.

I should be interested in holding a debate with the hon. Lady on the EU market in general, on whether the single market functions effectively and, particularly, on whether that EU market is properly protected from products from

[Mr. Forth]

outside that are harmful either to the health of our peoples or to our fiscal policies. Those are legitimate concerns, but not in relation to the arguments that I want to make today. I do not fear to make arguments on those interesting matters—countries would do well to consider them carefully.

I do not want to prolong the debate because the points almost make themselves. However, despite that fact and even though my right hon. Friend the Member for Wells has made them in his way—as I have in mine—there is no evidence that Labour Members are prepared to accept them at all, so perhaps my hon. Friends will have to ram them home much more effectively than I could possibly do.

I have a few questions for the Minister. I hope that he will answer them in his usual courteous, comprehensive and knowledgeable way. What is the Government's current estimate of the trend in smoking in this country, especially among young people? I should like that to be on record, so that we know what the Government believe the underlying trend to be.

What is the Government's estimate of the smuggling of tobacco products by volume and by value? It is important for us to hear officially from the Minister the Government's current estimates. What is their estimate of the loss of revenue that they are suffering as a result of that smuggling?

Those key questions face the Government and, indeed, all of us. Whether the money is hypothecated to health is an important factor, but it is not crucial. The crucial factor relates to the encouragement of illegal activities—widespread smuggling and purchase of smuggled goods. Many Labour Members have raised—legitimately—the loss of any control or regulation in the sale of those smuggled products, especially to under-age people. That is one of the key questions for the Government.

When the Minister replies, I hope that he will tell the House that he accepts my amendment; if not, he will have to give some jolly good reasons why not.

Mr. Campbell-Savours: I shall intervene only briefly; the right hon. Member for Bromley and Chislehurst (Mr. Forth) has provoked me into saying a few words.

The right hon. Gentleman has not answered the point made by my hon. Friend the Member for Erewash (Liz Blackman). He should think clearly about the implications of what she was saying. If there are different tax regimes within Europe, under which a packet of cigarettes might cost 8 francs in France and 3,300 lire in Italy—a differential of about 20 per cent.—and if, moving from France to Italy, there is still a market, even with such a tight differential, does that not show that the amendment would not deal with the problem? We are doing so through this year's Budget. The right hon. Gentleman is not addressing the problem.

If a differential of only 20 per cent. is enough to incite people to trade in cigarettes, because a profit can be made simply by walking through a frontier within the EU at night, or by driving across it in a van, the right hon. Gentleman's proposals will not work.

I lived in Milan as a boy. When we were in the countryside, we used to go up to Como in the evenings, and if one stood on a bridge late at night, where the rivers came down from the alpine villages, one could see men carrying sacks on their back—sacks of fags, coming in from Switzerland to Italy. The differential was very little, but it was sufficient. I remember vividly that, when I was a child, the differential was sufficient to ensure that street corners throughout the city of Milan, every day of every week of every year, were crowded with people selling cut-price cigarettes that had come in from other parts of what was then Europe, not the European Union. It is going on today. In Rome, one can find cigarettes that have come in from Greece. The differential is probably only 20 or 30 per cent.

Mr. Oliver Letwin (West Dorset): Is the hon. Gentleman advancing the rather interesting argument that the size of the differential has no impact on the size of the smuggling market?

Mr. Campbell-Savours: Yes; I think that there is an argument that, as long as there is the potential to make a profit, people will trade. In the event that that is the motive—simply that there is sufficient differential to make a profit—the only way to deal with it is to take far greater measures to affect the trade.

Mr. Letwin: What reason does the hon. Gentleman advance for supposing that this is the unique case that disobeys the laws of economics and supply and demand in every other domain?

Mr. Campbell-Savours: My own experience—what I have seen and what tourists from anywhere in the United Kingdom will experience if they go on holiday anywhere within the European Union—is of fags, which invariably come from other parts of the European Union, being sold on street corners.

Sir Michael Spicer: How, then, does the hon. Gentleman explain the fact that when Canada, Switzerland and Sweden reduced their duties, smuggling fell dramatically?

Mr. Campbell-Savours: I do not know the answer to that, but I am sure that there is an explanation that is consistent with the case that we are advancing in the Chamber today. I have not studied the evidence. All I know is what I have experienced and witnessed, over most of my lifetime, within the European Union. The hon. Gentleman may talk in terms of what we are seeing today being a phenomenon of today, but it is not. It has been going on since I was a child, throughout Europe.

Mr. Swayne: I acknowledge that the hon. Gentleman is right to say that, as long as a differential exists, people will trade; but, obviously, the number of people trading will be determined by the size of the differential and the profitability. Is not the phenomenon that the hon. Gentleman describes something to do with the cultural background in Europe, which, as he said, stretches back a long way? Nevertheless, this type of trading is a relatively new phenomenon, at least in this country.

Mr. Campbell-Savours: When the hon. Gentleman starts talking about cultural backgrounds, I tread a little warily, because I know roughly the area into which he is daring to venture.

There is one other aspect that I wanted to raise in my brief contribution.

Mr. Bercow: Will the hon. Gentleman give way?

Mr. Campbell-Savours: No. Let me go on, because I do not want to hog the debate.

I have in my hand a brief that comes from the Treasury, which I believe is available to most Members. It says that the Treasury will invest in technology, including large-scale X-ray scanners that can look inside lorries and freight containers.

I hope that, when the Minister replies to the debate, he or she will address the issue of these scanners, because I believe that that is an interesting development. I am told that such scanners already exist in the United States of America, and that they really work. I should have thought that if there is a technology that provides for the use of scanners in identifying large hauls of cigarettes in truck containers, it should be used.

I am told that the revenue lost from a truck container can be as much as £1 million per container. If we have that technology, the trade will soon collapse. If scanners are in operation, transport operators who contract companies to carry such loads from other parts of the European Union know that they risk losing their tractor units and trailers—many of which are worth between £120,000 and £150,000 per unit—if they are found to be carrying cigarettes. I am told that we are to have a dozen scanners. I only wish that we were buying more; I would have 50, as they will be a particularly good investment.

The trade is not made up entirely of the little guys who wheel their trolley off the P&O ferry at Dover and sell fags locally on the motorway. The real trade is the big 40 ft trucks crammed full of aluminium boxes, and people get away with it because we do not have the resources to check on such loads.

5.45 pm

Mr. Letwin: Does the hon. Gentleman think that smugglers' propensity to invest in materials such as lead to counteract the X-ray would be increased or decreased if the differential were reduced?

Mr. Campbell-Savours: That is an interesting question. If one puts enough lead in a 40 ft truck-trailer to cover boxes full of fags, it will probably weigh down the whole vehicle, as will be evident from its axles. Regardless of that, it is extremely easy to develop technology capable of locating lead. If one wants to find people who are carrying fags, all one has to do is use a bit of equipment that can identify lead. Lead on top of someone's load means that they are carrying fags.

We shall therefore introduce the necessary technology. I predict that the policy will work and will be extremely successful if we invest in such equipment. If we increase the quantity that is available for use for detecting cigarettes and other products at British ports, smuggling will be cut dramatically, so I hope that my hon. Friends will go down that route.

Mr. Edward Davey (Kingston and Surbiton): The whole Committee is grateful for the comments of the hon. Member for Workington (Mr. Campbell-Savours). I cannot speak as eloquently as he does, but I support his argument that scanners are a key tool for the Government in tackling smuggling.

Page 6 of the Government's document, "Tackling Tobacco Smuggling" gives statistics on tobacco smuggling in 1999, estimating that £1.4 billion of the £2.5 billion that was lost—or more than half of last year's lost revenue—was through freight consignment smuggling, which scanners are designed to tackle. The Government are quite right to go down that road, as the hon. Gentleman pointed out. However, he was a little too generous to the right hon. Member for Bromley and Chislehurst (Mr. Forth) who, in the final knockings of his speech, seemed to be suggesting that Spain should improve its physical controls on tackling smuggling, but that that was not the right policy for Britain. That was rather inconsistent and incoherent, and not typical of how the right hon. Gentleman usually argues his case.

The right hon. Member for Wells (Mr. Heathcoat-Amory) said that the Conservatives are certain that the only solution to the matter is to cut duties. The hon. Member for Broxtowe (Dr. Palmer) asked why that is so and what motives lie behind Conservative policy. He suggested that the Conservative party may just want to cut smuggling and is not worried about the revenue. Perhaps it wants to promote drinking and smoking. We need to know the real reasons for Conservative policy, which, if I understood the right hon. Gentleman correctly, is based on the need to protect revenue.

The Opposition are saying that, if duty is cut, there will be increased revenue. That is like applying the Laffer curve to indirect taxation. That seems to be the key to their argument. If they are saying that, by cutting duties, we shall cut cross-border smuggling, but that that might have a negative revenue effect, we might all agree. If we wanted to spend money solely on cutting cross-border smuggling, we could all agree that cutting excise duties on tobacco and alcohol would almost certainly have some impact on that smuggling. We are not sure of the scale, but it would certainly have an impact.

When we consider the revenue impact of cutting duties, the analysis is rather more complicated. I refer to an article in "Fiscal Studies" of September 1999 by Crawford, Smith and Tanner, entitled "Alcohol Taxes, Tax Revenues and the Single European Market".

Mr. Bercow: Riveting reading.

Mr. Davey: It is an important read for this debate because it brings some economic literacy to it. It considers real numbers and models them properly. It focuses also on own-price and cross-price elasticities of demand for smuggled products. It works out the impact of cutting duties on demand and thus on the tax take. I accept that the study focuses on alcohol and the effect of cutting excise duties on it. The authors, in estimating the various price elasticities of demand in the mid-1990s in Britain for various alcohol products, show that, if we were to cut duties on beer and wine, the revenue would decrease. That is a clear and unambiguous conclusion in an economically literate study.

Sir Michael Spicer: As the hon. Gentleman is so economically literate, he will know that the elasticities that are assumed by, or produced from, the report have been hotly disputed by other people.

Mr. Davey: I am grateful for the hon. Gentleman's intervention. I have spoken to representatives of the

[Mr. Davey]

industries concerned about these matters. I have yet to see a detailed economic knock-down of the price elasticities. I have heard some anecdotal evidence against them, but not detailed economic facts. The debate should focus on the facts and not on pure dogma. We need to introduce into it some objective cool-headed studies, and I believe that the study to which I have referred is one.

Dr. Palmer: Given the existence of the report from a respected independent body, does the hon. Gentleman agree that amendment No. 1 should fall? It merely demands an independent report on the effect of liquor duties on smuggling.

Mr. Davey: The hon. Gentleman makes a valid point.

In trying to explain the thinking behind the report and the analysis, the authors of the report consider two effects. First, they focus on the effects on revenue when we cut taxes. One effect is to raise demand as people who were consuming illegal goods start consuming goods with duty paid, which adds to the tax base. If we cut excise duties, we might find more people demanding the product. That is the ordinary demand curve effect. In those terms, revenue would be raised as a result of what the Conservatives are proposing.

The effect that outweighs that, as set out in the study, is that the lower tax per unit of sale resulting from a cut in excise duties more than offsets the gain in tax revenue from the higher demand. Unless a cut in excise duty had a great effect in increasing sales and demand, the second effect would always outweigh it. Previous studies have backed up the findings of the Crawford, Smith and Tanner study and point in that direction.

It is interesting that the report suggests that the duty on spirits is a revenue-maximising rate, so that, if duties were cut, we would see a fall in revenue. A distinction is made between different alcohol products but there may be a fall in revenue when duties reach a certain level, and the Government have recognised this.

Liz Blackman: Is the hon. Gentleman aware that the Canadian experience revealed exactly the same effect? By cutting duty, Canada has forgone revenue on tobacco.

Mr. Davey: I am grateful for the hon. Lady's intervention. I was not aware of the details of the Canadian experience, but perhaps I should have been.

We need to know from the Conservatives what lies behind their argument. Do they want to cut cross-border smuggling? If that is their position, it is a valid one. When they add up their expenditures when preparing for the next election, they may want to say to the British people that a key priority is to spend £1 billion, or whatever the sum may be, on cutting cross-border smuggling by lowering duties, and that that priority goes before the health service, schools and the police. However, if they are saying that cutting duties on beer and wine will increase revenue, they have no case.

Mr. Heathcoat-Amory: I shall summarise our position for the hon. Gentleman. We have a failed health policy and we want a successful one. We have a failed criminality policy and we want a successful one. We have a failed revenue policy and we want a successful one. The Government's response is to make a bad situation worse by opening up the duty differential, which will make all those problems worse.

Mr. Davey: For a second I thought that the right hon. Gentleman was in a time warp and was describing the record of the Conservative Government. I do not want to defend this Government's overall record on health. Indeed, my colleagues and I have criticised it. It is difficult to criticise overall their record on finances because there are huge surpluses which are growing by the day. Their record on criminality is certainly questionable, especially in terms of numbers of police officers. However, given the previous Government's record in these areas, the right hon. Gentleman has a nerve. He failed to address earlier whether the Conservative party is arguing that a cut in excise duties will increase revenue. If the Opposition are advancing that argument, the Committee is entitled to know on what basis they are doing so. The evidence from Canada and from the independent economically literate study produced by the Institute of Fiscal Studies suggests that what is being said by those on the Opposition Front Bench is completely wrong.

One might be tempted to suggest that the Opposition are being slightly opportunistic and that, during a week when there will be elections, they are trying to be populist, as their Leader has tried to be populist on various other areas of policy. The Leader of the Opposition has failed, and I believe that the Opposition will fail tonight because they have failed to make their point.

I do not have a study to quote from when we come to consider whether reducing duties on tobacco would increase revenue. I do not know of a study that has gone into the various own-price and cross-price elasticities that need to be computed if we are to work out the effect of reducing duties. Does the Minister know of a study that has considered own-price and cross-price elasticities and the effect of a cut in the duties on tobacco in terms of the overall tax yield from tobacco? If such a study does not exist, does the Treasury intend to commission one? Such an independent study would be important in informing the debate. If we have reached the top of the curve or gone beyond it in excise duties on tobacco, and if a cut would yield more revenue, my right hon. and hon. Friends and I might well reconsider our position. We are not dogmatic about it. If a cut in duties would have a beneficial effect all round for health policy and revenue raising, for example, we would be more than happy to support such a move, but there is no evidence to suggest that that would be the effect.

Mr. David Ruffley (Bury St. Edmunds): Will the hon. Gentleman clarify one point? Is he saying that the Government of this country should base their tax and excise duty policies on the work of Crawford, Smith and Tanner?

6 pm

Mr. Davey: I am certainly not saying that, but I am advocating that the Government base their tax policy on objective, independent, well-founded and economically literate analysis. We have not had that from those on the Conservative Front Bench.

Dr. Palmer: Is the hon. Gentleman not being a little optimistic in thinking that a further study would help to

clarify the debate? As we have heard from the interventions of Conservative Members, even when there is an independent report, they do not want it. They want an independent report whose conclusions they like and, if they get one whose conclusions they do not like, they ask for another report.

Mr. Davey: The hon. Gentleman has a point, but I do not want to rubbish independent and objective reports. We need more of them, because this is an important social, economic and fiscal issue. The Government, and the previous Government, reacted to the initial findings on the effect of cutting duties on alcohol by freezing the duty on spirits and by keeping the increases in excise duties on beer and wine to the rate of inflation. That is a sensible policy that evidence from independent and objective studies seems to back up.

However, at the moment, I do not have to hand a similar study considering the price elasticities of demand for tobacco, and such a study is necessary for this debate. It could provide it with some rigour and a framework, so that we do not have to clutch figures from the air or make wild assumptions. Surely, given the brilliance of economists and the civil service in this country, we can try to obtain the facts and publish them, so that the debate focuses on the correct issues.

Mr. Bercow: At the start of his speech, the hon. Gentleman appeared to suggest that he accepted that a large differential would tend to favour the smuggler. He therefore dissociated himself from the position advanced by the hon. Member for Workington (Mr. Campbell-Savours), whose continental meanderings were enjoyable but, I fear, no substitute for empirical evidence. The hon. Gentleman now appears to be telling us that he does not know what the empirical evidence is. Therefore, can we establish beyond doubt the Liberal Democrats exact position on excise duties on tobacco as of 2 May 2000? Does he think that they should be higher, lower or stay the same? When will he learn to play his cards right?

Mr. Davey: The position is simple, and I will answer the hon. Gentleman directly. In the Lobby tonight, we will support the Government's position on increasing excise duties on tobacco and alcohol. I hope that that answer helps him with his troubles. However, he has mixed up two points. I agree with him that a larger price differential provides a greater incentive to smuggling. That is a law of economics, as the hon. Member for West Dorset (Mr. Letwin) said. However, it does not follow from that—the evidence is not yet forthcoming—that a reduction in duties would lead to an increase in revenue or that we should back an ill-thought-through and ill-considered policy that would be bad news for the health service, our schools and the police.

Mr. Bercow: I am deeply disappointed by the hon. Gentleman's reply. I had hoped against hope—oh, naive soul that I was—that he was a genuine libertarian. The late John Stuart Mill, for one, would be ashamed of him.

Mr. Davey: May I refer the hon. Gentleman to John Stuart Mill?

If a study on the price elasticities of tobacco were carried out so that the debate was rather more informed than it has been in some quarters, we might find that a cut in duties might increase revenue yields. However, we might still decide that we wanted to increase the duty because of other factors such as health policy. As the hon. Member for Erewash (Liz Blackman) pointed out, the evidence from countries with low rates of duty is that, because of sophisticated organised crime, smuggling will continue even if the differential is quite small. There is bound to be a differential with other countries, and particularly with those outside the European Union, and organised crime will arbitrage on the differential between the different tax rates and will try to exploit it.

Whatever the policy on reducing duties, we might decide that our first priority should be to invest in anti-smuggling devices such as the national network of scanners to which the Government are rightly committed. We might decide that we need more Customs officers and that we would not want to cut their numbers as the Conservatives did when they were in power. We have not heard them apologise for doing that and for reducing the resources available to Customs and Excise, but perhaps they should have done so.

Policies other than cutting duties can be used to reduce smuggling. If they are successful—we should all hope that they are—there might be an increase in the revenue yield. The policy of fiscal marks on cigarettes appears in clause 14, so I shall not dwell on it. However, it may be a useful aid in the attack on smuggling. It is possible that we shall want to debate the details of the policy's implementation, but properly marking the packs on which duty has been paid is a sensible way forward. Making the punishments for smugglers appropriate and seizing their assets is another approach. When organised crime is involved, custodial sentences should be available to punish the criminals properly.

I have concerns about aspects of the Government's policy. In particular, I am concerned about the speed of implementation. Several reports have been produced, but we are waiting for more officers and for the scanners. The Government have been in power for three years and they should be getting on quickly with anti-smuggling proposals, monitoring their efficacy and helping the debate by producing objective reports that provide an economic analysis that is stronger than that we heard from those on the Conservative Front Bench. Such reports would enable us to assess the effect of cutting duties on the Exchequer.

Liberal Democrats will, at least for this year, support the Government's approach to tackling smuggling. We support the measures that I have outlined and will ensure that the Revenue's tax base is protected. However, over the next year or two we want the Government to consider the duties' effects in more detail than they have to date, so that, when we revisit this issue this year and the year after that, the debate will be rather more informed than it has been tonight.

Sir Michael Spicer (West Worcestershire): Successful or not, the increases in excise duties are an integral part of the Government's policy to raise the overall level of taxation as a percentage of gross domestic product. The fact that the Government are increasing taxation as a whole as a proportion of GDP is now an established fact in the Red Book, and even if, under the convention uniquely invented by the Government, one includes the working families tax credit as a tax deduction, taxes as a whole are going up.

[Sir Michael Spicer]

To return to a point made by the hon. Member for Broxtowe (Dr. Palmer), the irony is that the burden of the overall level of taxation falls on indirect rather than direct taxes. As a Conservative, I have no particular objection to that—it fits in very much with my overall philosophy—but it must be a cause for shame among Labour Members. The process of increasing excise duties is part of that overall strategy.

The strategy is necessary because of the explosion in the rate of increase in public spending and planned public spending that the Red Book also recognises. It is soaring—there is no question about that. The Select Committee on the Treasury recently established the facts. In 2000–01, public spending will rise by 6.7 per cent.; in 2001–02, it will rise by 6 per cent.; and in 2002–03 by 13 per cent. It is therefore not surprising that bodies such as the International Monetary Fund recently pronounced that Britain's economy was at risk of overheating and that the aim of Government policy ought to be to take the pressure off interest rates. The IMF stated that in these circumstances it would be ideal for fiscal policy to take the burden off monetary policy, and the fact that that has not happened is a matter to be regretted.

All that is part of a context recognised by everyone outside the present Government. Expenditure is soaring and taxation policy is inevitably following it. It so happens that taxes are being raised through indirect taxation, particularly excise taxes.

Mr. Edward Davey: Can the hon. Gentleman tell the House what expenditure he would cut in order to tighten fiscal policy?

Sir Michael Spicer: I would take a totally different approach to public expenditure. There is the question whether private resources should be used for public services to a far greater extent than is the case. It is extraordinary that a Government who ostensibly support those most in need, but not so much those less in need, do not accept—they may do so secretly, but not publicly—the need for private resources in public programmes. That is inevitable and will have to be recognised one day.

Mr. Davey: I am grateful for the hon. Gentleman's reply. Can he tell me whether it is in respect of pensions, police, schools or hospitals that he believes the private sector has most to do?

The Second Deputy Chairman of Ways and Means (Mr. Michael Lord): Order. We are straying rather wide of the amendment.

Sir Michael Spicer: I bow to your constraints, Mr. Lord, although I would be happy to debate the topic at length.

The rise in excise duties is a matter of great interest. The rise in tobacco duty is self-evident. The change is 8.41 per cent. However, in the case of alcohol, as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) mentioned, the so-called indexation to inflation is a strange phenomenon and will have to be explained by the Government.

Throughout the Red Book and throughout the discussions that we on the Treasury Committee have with the Monetary Policy Committee, the argument is that the rate of inflation—RPIX—is currently below the target level of 2.5 per cent. and is likely to remain so. Nevertheless, the Government say that indexed alcohol duty will go up by 3.4 per cent.

There may be all sorts of calculations involved, but the basic inflationary index used to govern inflationary policy and thus to determine most of the UK's monetary economic activity—the RPIX index—continues to be well below the target level of 2.5 per cent., so it is extraordinary that an indexation device is suddenly introduced, whereby excise duties on alcohol are put up by 3.4 per cent. The Government will have to tell us more about that in the course of the debate. *[Interruption.]* I am glad that the Minister is sending his assistant scurrying away, presumably to get some answers.

6.15 pm

Amendments Nos. 1 and 2 highlight the importance of the independent analysis of the effect of excise on smuggling. The Treasury Committee, and especially the Sub-Committee which I chair, spent a great deal of time on the matter. It took evidence and on 8 February published its report on HM Customs and Excise. Paragraph 64 is directly relevant to the debate on the amendments. It states that in March 1999, in the pre-Budget report,

> the Chancellor of the Exchequer announced that there would be an "independent evaluation of the strategy and measures deployed to tackle excise duty and fraud and evasion . . ."—

no mention there of it being a personal report.

In the 1998 pre-Budget report, almost exactly the same promise was made. That is partly the answer to the hon. Member for Kingston and Surbiton (Mr. Davey), who spoke about physical constraints on smuggling. The 1999 announcement was an almost exact repetition of the offer of an analysis of physical constraints on smuggling in the previous year's pre-Budget report. In 1999 Mr. Taylor was put in charge of the report. The results of his evaluation apparently influenced the measures taken in the 1999 report and in the current Budget.

Because of the importance of the report in determining Government strategy on excise duty, particularly in relation to smuggling, we—the Treasury Committee—

> requested sight of Mr Taylor's report to the Chancellor so that we could assess whether the measures announced by the Chancellor to deal with tobacco smuggling fully met the evaluation's recommendations. We were also concerned to investigate how Mr Taylor had undertaken his review, given that witnesses from several key alcohol and tobacco trade and retail associations told us that they had not been consulted by him. We were told—

this is the point raised by my hon. Friend the Member for Sevenoaks (Mr. Fallon)—

> that the advice tendered by Mr Taylor was "personal and confidential" to the Chancellor and could not be made available to Parliament as a result.

We continued:

> We consider it unacceptable that the Treasury should commission a review of an important area of Government policy, and announce policy measures apparently based on the outcome of that review,

without allowing Parliament access to the review's conclusions. We recommend that the Chancellor make available for Parliamentary scrutiny the results of Mr Martin Taylor's recent evaluation of Government policy to tackle tobacco smuggling.

That is what lies behind the two amendments.

Mr. Campbell-Savours: If the Taylor report included material that was based on intelligence, would the hon. Gentleman still be in favour of publishing it?

Sir Michael Spicer: There are always issues associated with intelligence, but the Government were not prepared to consider publishing any part of the report, or to produce a summary of the analysis that led to the conclusions. They were not prepared to give Parliament any insight into an apparently substantive and significant contribution to Government policy which had been announced in public. Confidential matters relating to security and intelligence could have been deleted. Parliament accepts that when such reports are published, certain references to intelligence sources and techniques will not be disclosed.

It is scandalous that the report was not published. I should have thought that that was common ground on both sides of the House. I should have thought that the hon. Gentleman, who feels strongly about parliamentary matters and speaks against the Executive on occasion, would consider it wrong that a major report which was publicly announced should not be a public document. Probably because it reached conclusions that the Government did not wish it to reach, the curtains came down. I do not believe that that had anything to do with information or intelligence. The fact that the report came to the wrong conclusions from the Government's point of view made it unacceptable in the public domain.

Mr. Campbell-Savours: I do not know what was in the report. I do not know whether it dealt with intelligence matters, but I presume that it did. If, on a balance of judgment, Ministers decided that a document would be worthless unless it included that intelligence material, which it cannot include if it is to be published, how can one challenge that judgment? A similar decision would have been made by Ministers in the previous Government. I heard them say that when I used to sit on the Opposition Benches.

Sir Michael Spicer: If the matter had such implications for national security and the intelligence services because of smuggling, the Government could have made that clear, but they did not. They claimed that the report was a personal matter for Mr. Taylor and the Chancellor. If the hon. Member for Workington (Mr. Campbell-Savours) is right—I suspect that he is not—the Government should say that the report had not been published for security reasons. We could have considered the matter and Parliament could have decided whether it had implications for national security. However, the Government never said that the report was sensitive because of national security or the way in which the intelligence services work; they said that the report was personal to the Chancellor. I believed that the hon. Gentleman would find that unacceptable.

Mr. Forth: Does my hon. Friend believe that if the ill-fated, so-called Freedom of Information Bill ever reaches the statute book it will force the publication of such taxpayer-funded reports?

Sir Michael Spicer: My right hon. Friend makes an interesting point. The report on Customs and Excise gives an example of another Government report that has been kept secret and unpublished, and specifically refers to the context that my right hon. Friend described. The reports states:

It is extremely disappointing that, as the Freedom of Information Bill began its passage through Parliament, Customs and Excise refused us access to a six year old report on a matter of departmental organisation central to our present inquiry, far removed from party political controversy or national security—

to answer the hon. Member for Workington—

defence or foreign policy concerns.

Mr. Campbell-Savours: How does the hon. Gentleman know that?

Sir Michael Spicer: Because that is the clear implication. The report simply considered whether the Customs and Excise service could be made more efficient, perhaps by amalgamating it. No one has ever told the Select Committee that security or intelligence matters were involved. If that had been said, we could have considered it. My right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) is right to say that, despite the hoo-hah and hot air that surrounds the Freedom of Information Bill, six-years-old papers of no party political import are suppressed. Those papers were drafted by the previous Administration, and the Government probably believe that they reached the wrong conclusions.

Such suppression is wrong and a good reason for accepting amendments Nos. 1 and 2, which are eminently sensible. They are not especially party political and they deal with the extent to which Parliament should be allowed to scrutinise the Executive.

Mr. Michael Fallon (Sevenoaks): Before my hon. Friend leaves the point about whether the Taylor report can be construed as personal, can he explain to the Committee how a report which was commissioned by a Minister who is a public official and which was prepared for a public Department for public policy making, can be described as personal to the Chancellor of the Exchequer?

Sir Michael Spicer: I cannot think of a reason. As my hon. Friend rightly says, the Taylor report is on a vital public issue. I cannot understand how it can be personal to the Chancellor.

Mr. Letwin: Does my hon. Friend agree that the report might be construed as personal because it was personally embarrassing to the Chancellor?

Sir Michael Spicer: My hon. Friend may be right, as he so often is.

I want to consider the general thrust of the argument of the hon. Member for Kingston and Surbiton. He said that revenues would increase, and that the revenue take was necessary for all the projects that he wants to implement. He is a big spender and taxer; increasing revenue is therefore a good thing from his point of view. He said that all the Institute for Fiscal Studies reports on alcohol showed that that would happen and that, despite the leakage, the overriding thrust of policy would be to raise revenue.

[Sir Michael Spicer]

The Institute for Fiscal Studies is undertaking a similar study on tobacco. Doubtless it will be as easy to pull apart as that on alcohol. The elasticity arguments in the report are highly subjective. No one knows from where they have been plucked. They are not empirically constructed because the IFS does not have the resources for that.

Mr. Edward Davey: The hon. Gentleman criticises the Institute for Fiscal Studies, which is well respected. I did not realise that he believed that it was so bad. It took its data from the family expenditure survey of 1979–96.

Sir Michael Spicer: When making a historical analysis of elasticity, one makes an assumption and includes it in the model that one is constructing. Assumptions based on historical data may not apply to the future. In the Canadian example, the assumptions applied to the future, but in the Swedish example they did not. Elasticity arguments are always subjective.

Mr. Davey: If the hon. Gentleman reads the report, he will find that the research was controlled by, for example, ascertaining whether elasticity in the south-east of England was different from that in the rest of the country. That was achieved by ascertaining whether price elasticity was different before the single market began and after it was established. The elasticity was found to be the same. The hon. Gentleman's argument is therefore not borne out by the facts.

Sir Michael Spicer: The hon. Gentleman is well versed in such matters. I am sure that he will accept that elasticity arguments in such studies, especially when based on historical data, are often highly subjective. That is especially true in the case that we are considering.

In his contribution, the hon. Gentleman claimed that the beneficial—in his view—revenue effect of all the extra dosh and the great expenditure plans, which he will doubtless beat the Labour party to effecting because the Liberal Democrats want to spend even more money than the Labour party, were tremendous and not to be stopped. The only method therefore of dealing with smuggling was by physical means, such as X-ray scanners. The hon. Member for Workington wanted 50 and the Government want 12; doubtless the Liberal Democrats are somewhere in the middle.

The hon. Members for Workington and for Kingston and Surbiton claimed that smuggling would be prevented by physical measures. That would be wonderful if the empirical evidence bore it out. However, in the 1998 pre-Budget report, the Government produced a list of physical measures such as X-ray screening, CAT marks, proposals for licences for pubs and related premises and provisions for punishing retailers for smuggled goods. That list was published in 1998 and repeated in 1999.

Mr. Campbell-Savours: Do the measures work?

Sir Michael Spicer: That is the whole point. During that period, smuggling has taken off.

Mr. Campbell-Savours *rose—*

Mr. Beard *rose—*

Sir Michael Spicer: Many of the physical means have been implemented. We must grant the Government that. The Government and Customs and Excise have tried to increase—*[Interruption.]*

The Second Deputy Chairman: Order. We cannot have continual interventions from a sedentary position. If the hon. Member for Bexleyheath and Crayford (Mr. Beard) wants to intervene, I should be grateful if he did it in the conventional way.

Sir Michael Spicer: I shall give way shortly. However, I am trying to make the point—I hope calmly and collectedly—that the physical measures have been introduced and have been used increasingly. However, smuggling has increased much more quickly than the rate of the measures' introduction.

Mr. Beard: The hon. Gentleman claims that the efforts to stem smuggling have been ineffective. However, it was revealed in the Treasury Committee's inquiry into HM Customs and Excise that the previous Administration cut by 300 the number of officers who dealt with smugglers. The previous Administration had given up trying to control smuggling.

6.30 pm

Sir Michael Spicer: There is no question but that both Administrations have tried to introduce new methods, methodologies and technologies to customs, but smuggling has increased rapidly even though more and more technology has been put in the system, particularly during the past two years over which, apparently, the Government have increased the physical resources going to Customs and Excise. There has to be at least a question mark over whether reliance on physical constraints and physical investigation as opposed to excise measures will be effective.

Mr. Campbell-Savours: I understand that the hon. Gentleman chaired the Treasury Committee Sub-Committee that considered the issue, so can he give a clear answer to my direct question: do the scanners that we are to buy work?

Sir Michael Spicer: I do not doubt that a scanner will scan effectively and will find—*[Interruption.]* We must deal with the question whether we will ever have enough scanners and whether the increased traffic—large vans from outside the European Union and the white van trade from inside—will swamp them, as is the case at present. The invasion flood of contraband articles is such that we cannot hope to control it physically. That is the argument. The hon. Gentleman may want more than 50 scanners, and he may have to have 500 or 5 million, but, given the massive differentials in cigarette duty, especially outside the EU, all the experience is that such measures are not effective or are at least questionable.

Mr. Swayne: May I ask my hon. Friend about these scanners? If, as is increasingly the case, young men go to France for an agreeable weekend and buy, ostensibly legitimately, a large number of cigarettes—presumably for their own consumption—and then sell them in pubs in the south-east and parts of rural Hampshire, what will the scanners do to deter such trade? Very little, I suspect.

Sir Michael Spicer: I am grateful to my hon. Friend, who makes a good intervention.

I put a question to the hon. Member for Workington, which he did not answer. Some countries have markedly reduced excise duties and, as a result, the position there has appreciated—smuggling has diminished considerably. Our country provides the example of increased reliance on technology accompanied by increased excise duties and a massive explosion in smuggling. We must properly ask whether there is substantive cause and effect between the rise in excise duty and the enormous increase in smuggling. That is why it is right for us at least to call for a proper investigation of the matter that should be made public so that we can debate it before determining whether the excise rate is correct.

Mr. William Ross (East Londonderry): I have opposed the year-on-year tobacco duty increases under Conservative and Labour rule, not least because Northern Ireland's tobacco industry suffers grievously as a result of them. I have also always opposed the constant ratchet effect in respect of road tax and the price of road fuel. We see Government policy on tobacco taxation as having three aims: increasing revenues, reducing consumption and preventing children from purchasing cigarettes. The Government's present approach is to increase tax by 5 per cent. above inflation, but that simply is not working; revenues have been undermined, tobacco consumption is rising and smugglers have no qualms about selling to children. For those reasons, we have put our names to some of the amendments and we certainly support the others.

Despite what the hon. Member for Workington (Mr. Campbell-Savours) cheerfully told us, smuggling is not represented by someone walking across a border with a bag on his back; it is a vast organised criminal activity. This island has the advantage of a water barrier to the north, south, east and west, but Northern Ireland has the disadvantage of being tied in to an island with a land frontier. Therefore we have experience of fuel smuggling. Although that is not covered by the amendment, the same problems arise and we know the damage that has been done not only to revenues, but to the unfortunate individuals who try to run businesses selling that product in Northern Ireland when a much lower tax rate is in force a few yards away.

The tobacco industry welcomes the Government's proposed measures to combat smuggling, including the 950 new Customs officers, but everyone in the industry in Northern Ireland believes that the tax rate will only encourage it. We are trying to stop smuggling, but we are also promoting a tax policy that encourages breaking the law, and even by the Government's own estimate, the new measures will reduce smuggling by only 10 per cent. at best.

United Kingdom taxes are the highest in Europe. Sweden had the second highest until it made a 26 per cent. reduction because of smuggling. Denmark recently issued a statement pledging to reduce taxes by 2003 to bring it into line with its neighbours, and Hong Kong has issued a similar statement. The measures taken by Canada to change the economic environment in which its smugglers operate have already been referred to; legal sales fell to 1980 levels and smuggling all but disappeared. People may want a particular brand of tobacco or cigarettes as opposed to another. That is a question of personal choice. However, smuggling operates not on brand preference, but purely on price differential.

Mr. Michael Clapham (Barnsley, West and Penistone): The hon. Gentleman made a distinction between Ireland and Great Britain, saying that Ireland, which has a land border, is much more vulnerable to smuggling than an island with port facilities. Does he agree that an extra 1,000 officers and X-ray facilities may allow an island to control the racket to some degree, and that that would have an impact on tobacco sales inland? Will the X-ray scanners and the officers have an effect?

Mr. Ross: One appreciates the fact that the increase in the number of officers and the new technology that is coming on stream will have an effect, but the tobacco industry in Northern Ireland does not believe that it will have the impact for which the Government evidently hope. Not all the tobacco that arrives in Great Britain necessarily comes across to Dover or even into England; some could come to Rosslare and go out through Larne. Gallaher's in Ballymena found that the hand-rolling tobacco that it had produced over many years went out of the United Kingdom legally and on to the continent. However, 10 days after it had left the factory, it was on sale on market stalls in and around Belfast. The Government know that, and we have been telling successive Governments about it for years.

Smuggling is a big industry and we should not be under any illusions about what has happened. My information, which I am sure has been made available to other hon. Members, is that 3 million people in the United Kingdom smoke cigarettes on which UK duty has not been paid. I understand that the Government have admitted to losing £2.5 billion in revenue per annum; at least, that is what they stated in their pre-Budget report, published last November.

Amendment No. 7, which has not been selected, would return taxes to pre-Budget levels. Amendment No. 8 would reduce the pre-Budget price of 20 cigarettes—if we assume that to be £3.92—by £1, to £2.92. It would also reduce the pre-Budget price of £8.05 for 50 g of hand-rolling tobacco to £3.50. In other words, it would bring retail prices down to levels that would remove the financial incentive for people to buy black market products. According to the industry, that, coupled with the £209 million worth of Government measures, would eliminate the black market altogether.

As has been pointed out, owing to the substantial difference between United Kingdom and overseas tobacco prices, smuggling offers potentially high profits. The hon. Member for Workington mentioned the chap carrying a sack of tobacco products across the border from Switzerland to Italy. I suspect that if he did that seven days a week, he would have a reasonable wage at the end of the week, even given the relatively small price differential. How much would that be multiplied given the differentials between the Continent and the United Kingdom? It is worth the while of organised criminal gangs to become involved in such activity, and we believe that they have done so.

Tax currently accounts for more than 80 per cent. of tobacco retail prices. Since 1997, the price of a typical packet of cigarettes in the United Kingdom has increased by more than £1. A typical packet of 20 costs the UK smoker well over twice what it costs his counterpart in Belgium or France, while the roll-your-own smoker pays nearly four times as much. The black market price is about £2.50, which enables large profits to be made from smuggling.

[Mr. Ross]

Revenue losses resulting from tobacco smuggling rose to some £2.5 billion between 1998 and 1999. According to the pre-Budget report, that amounts to about 25 per cent. of all tobacco revenue due. Since 1997 some £5 billion of tobacco tax revenue has been lost, and, as I have said, the retail price of a packet of cigarettes has risen by £1.

Hon. Members have pointed out that the revenue fell last year, but as last year's Red Book will show, a fall was forecast not just for that year but for coming years. It all comes down to a simple tax problem that has plagued every ruler since taxes began. Once the amount of tax that people will pay relatively willingly has been exceeded, Governments encounter increasing resistance from taxpayers, who will therefore try to reduce their taxes.

The really wealthy, of course, have always managed to reduce their taxes, not so much through tax avoidance schemes as by overseas trusts, for instance; that is perfectly legitimate. However, the small man—the ordinary citizen—will buy his petrol and pay the high price for it. He will grumble, because he will know that most of that will go into the Chancellor's pocket, but he will pay, because he can do no better. If you live in England, it is not worth your while to drive across to France to fill your car; if you live in Newry or Londonderry, it is worth going into the Irish Republic.

Tobacco, however, is a great deal lighter, and a great deal more valuable than fuel in terms of volume. It is easier to transport and easier to hide, and the profits are vast. I do not know—although I am sure that if the Minister puts his mind to it, he can soon find out—how many packets of 20 cigarettes will go into a 40 ft container, but the revenue lost on that one container would probably go a long way towards paying for the lorry that is transporting the cigarettes. If someone could get a few loads through, even if he lost the lorries it might still be worth his while. I wonder what the economics really are; I am sure that the smugglers would take that into account.

6.45 pm

Let us be clear about the history. The smugglers began by importing hand-rolling tobacco. Currently, four out of five packets of hand-rolling tobacco consumed in the United Kingdom are smuggled in. Often, United Kingdom tobacco goes out and comes back again—tobacco that would normally have been sold in the UK. As I have said, much of it is prepared in Ballymena. In the United Kingdom, 50 g of hand-rolling tobacco costs £8.49; in Belgium, it costs only £1.70.

Years ago, management and trade union representatives from Gallaher's factory came to the House and told us that the market for smuggled hand-rolling tobacco had reached saturation point. The next target, they said, would be cigarettes, and they were dead right. We told the officials of not just the present but the last Government that was the position, and events proved us correct.

Our tax on cigarettes is the highest in the world. The legitimate cigarette market had decreased by 8 per cent. in 1998 and by 10 per cent. in 1999, yet cigarette smoking is increasing. Many millions of people are involved in the illegal cigarette trade, as suppliers and as buyers. We believe that one packet in four consumed in the United Kingdom has been smuggled in, despite all the efforts to make smuggling more difficult by means of labelling and packaging.

I think that the path we have been treading is counterproductive, and will not work in the future. It is time to look anew at what must be done. When smugglers can sell for between £2.20 and £2.50 a packet of cigarettes that costs £4.17 in the United Kingdom, they will find a market. That has a corrosive effect on society, and on people's honesty. More and more people go along with it, saying, "It is only a packet of fags; it does not really matter." That, however, amounts to supporting criminal gangs, and in criminal activity, one thing leads to another.

We are talking not just about a loss of revenue, but about increased consumption, and easier availability of tobacco products to children. As we all know, smoking, drinking and drugs are the "in thing" among young people. That can be overcome only through education; the fact that a product is pricy, or the knowledge that it has been smuggled, adds an aura that will attract the young. There is a vastly increased level of criminality among millions of people. I think that activity of this kind will encourage non-compliance with other aspects of the law, contempt for the law and flouting of the law, and that that will have a damaging effect on the social fabric of the community.

The Chancellor estimated that the yield from his 5 per cent. real increase would be £235 million in the current financial year, but previous forecasts have been unreliable, and have underestimated the rapid growth in smuggling. Consumption has increased by more than 5 per cent. since 1995, and by 4 per cent. since 1997; the trend is up, not down. I think that there has been too much "spinning" with regard to tax increases, in an attempt to make political capital.

The Chancellor and the Prime Minister made great play of hypothecating £400 million of tobacco tax revenue to the NHS as part of the additional £2 billion that the Chancellor announced would be made available to it. I believe, however, that in a global tax system such as ours all the tax goes into one bucket, or pool, and all the spending comes out of that pool. The idea that it can be said that a particular element of taxation will benefit a particular spending Department is a nonsense—a swiz.

As far as I remember, the original road tax started out as something designed to pay for roads. If that had continued, the whole of Britain would be covered in tarmac today. That is the lesson that every Member should learn. Hypothecated taxation is smoke and mirrors. It does not work. All the Government have to do is to say that they are putting in £400 million from tobacco, and two years later they take out £800 million or £900 million.

Mr. Ruffley: The hon. Gentleman is developing a powerful argument. Is he aware that his arguments on the bogusness of hypothecation are strongly supported by the Institute for Fiscal Studies, a body that the Labour party, and, indeed, the Liberal Democrats, are so keen to pray in aid in these matters?

Mr. Ross: I have read different comments by that body, but the hon. Gentleman is correct to say that it recognises the smoke and mirrors in the whole hypothecation argument.

Having said that about the Chancellor, I have to say that his figures are being contested. I understand—at least, my researchers tell me—that in the November 1999 pre-Budget report, he announced the hypothecation of tobacco receipts. He said that the yield of a 5 per cent. real increase would be £300 million. Just before the March Budget, the Minister for Public Health talked of £250 million. In his Budget, the Chancellor spoke of £300 million, and on 5 April the Prime Minister told the House that the figure was £400 million—a figure confirmed by the Chancellor the following day.

In the light of the reliability of the statements by the people running the Government's finances, we need to view those figures with a certain caution. Few taxes are as counterproductive as those on alcohol, tobacco and road fuel. The policy that was embarked on a good many years ago has been shown to have run its course. It is time to think a new way forward.

I am sorry that the right hon. Member for Bromley and Chislehurst (Mr. Forth) has left the Chamber—[HON. MEMBERS: "He is still here."] Oh, yes, so he is. He was attacked for what he said about the different levels of taxation across borders, but I wonder, as I am sure he does, whether open borders and different levels of taxation can really co-exist.

Mr. Ruffley: In supporting amendment No. 1, I want to advance an argument from an important part of the British economy, the brewing industry—in particular, a distinguished company in my constituency, Greene King. I want to explore an argument that it has advanced. In its view and that of the analysts who advised it, their suggestions would reduce the pernicious effects of alcohol smuggling.

The margins on smuggled beer are such that smuggling could rapidly become much less profitable were there to be a cut in beer duty. Greene King argues that a cut of about 2p per pint would be enough, at the margin, to ensure that fewer smugglers would be prepared to run the risk of smuggling beer from France to this country and, in particular, to East Anglia. It suggests an initial cut of 2p to reduce the profit element from bootlegging. That is a modest enough proposal, bearing in mind the fact that, as has been observed in the debate, the excise duty on a pint of beer in France is equivalent to about 5p, whereas in the United Kingdom it is about 33p.

The tax regime for beer has not leapt into life since 1 May 1997. I am not inviting the Committee to believe that all the problems that beer producers are experiencing are due to policies set in the past three years or so. However, I am inviting it to recognise the clear fact that beer sales have declined over the past decade, which has led to closures of breweries and public houses. The figures do not make happy reading. Sixteen of the largest 85 breweries have either closed, or their closure has been announced, since May 1997. The Countryside Agency has recently warned of its concern on behalf of rural areas that, every week, six village pubs close.

I need no convincing of the genuine fear that publicans and licensed victuallers in my constituency of Bury St. Edmunds have about their future if the tax regime is not amended by a modest 2p cut in duty. I have visited country pubs in my part of Suffolk and the message is loud and clear: the Government should listen and entertain the possibility of duty cuts.

I do not wish to get into an arcane but doubtless interesting debate with the hon. Member for Kingston and Surbiton (Mr. Davey). I do not wish to logic chop about what Crawford, Smith and Tanner did or did not say in volume 20, issue No. 3, 1999, of "Fiscal Studies" about own-price elasticities or cross-price elasticities, save to say that my hon. Friend the Member for West Worcestershire (Sir M. Spicer) threw some serious spanners in the works of the hon. Gentleman's argument by observing that, in different countries, the assumptions on elasticities can be subjective.

It ill-behoves any hon. Member to base an indirect tax policy on one or two academic studies that do not prove to be conclusive. Intuition and basic economics suggest that there can be cuts in beer duty without necessarily seeing a decline in revenue.

Mr. Edward Davey *rose—*

Mr. Ruffley: I did not want to go down this avenue, but the hon. Gentleman tempts me.

Mr. Davey: If the hon. Gentleman does not want to have the debate on price elasticities, how else does he want to decide the issue about whether the taxes should go up or down? Has he invented some new science?

Mr. Ruffley: Because of time, I do not wish to go into detail. I do not accept the hon. Gentleman's argument that if Crawford, Smith and Tanner say that the policy will lead to a decline in revenue, it must be so. It is one academic study, doubtless backed by some Treasury economist. For the hon. Gentleman to say that for all time and in all cases one academic study proves the case is not realistic politics. He is not living in the real world. I would like an argument, but I say merely that I do not accept that we can base a whole tax system on one or two academic studies.

The scale of the problem needs to be debated. The figures that the brewers and licensed retailers have produced on the volume of bootlegging into this country makes fairly depressing reading. For my region of East Anglia, I have figures on the destinations of white vans carrying beer. The estimate for the total number of vans travelling into London in 1999 was 12,690. Of the top 20 destinations, in my region the estimate for Chelmsford is 4,790 and for Peterborough it is 1,870. Those statistics are very real for publicans and licensed victuallers in my constituency. They think that the stuff is flooding into the centres of Chelmsford and Peterborough and percolating into market towns and surrounding areas in Bury St. Edmunds.

The evidence—*[Interruption.]* If the hon. Member for Kingston and Surbiton wants to witter away from a sedentary position, he is welcome to do so, but does he want to intervene?

Mr. Davey *indicated dissent.*

Mr. Ruffley: The impact on the rural economy is such that Greene King must have a point. With beer duty set at the level that it is, it is a regressive tax hitting hardest those who can least afford to pay it. It impacts on the livelihood and viability of pubs, particularly those in villages. The rural economy, at the margin, is affected by that process.

7 pm

As we have heard from the hon. Member for East Londonderry (Mr. Ross), the high beer tax increases introduced by the Chancellor since the Government took office are having a corrosive effect on the United Kingdom's law and order regime, and in influencing whether individuals obey the law or succumb to the temptations that have been created to break the law. The Government said that they would be tough on crime and tough on the causes of crime, so the effect of their tax increases should give them some pause for thought. They say that they are tough on inflation, but every 1p increase in beer duty increases the retail prices index by 0.15 per cent.

The Government are also happy to pray in aid the virtues—there are virtues—of the single-market regime, but their policy and practice on beer duty is deeply antipathetic to the European single market. The Committee will need no reminding of the Council of Ministers decision in 1992 that future beer duty changes should be directed towards achieving the common market rate of about 8p on an average pint of beer.

Most European countries have made considerable progress towards achieving the common market duty rate. Since 1992, France and other low duty countries have doubled or trebled their duty rates. Conversely, Sweden, Denmark and Norway have made considerable reductions to achieve the target rate. Only one country—the United Kingdom—has moved significantly away from the target rate. Nevertheless, the Government claim to be at the heart of Europe.

Although I do not agree with very much of what comes out of Brussels, I think that the United Kingdom Government should be taken at their word. If they are serious about the European single market and trying to make it work, they should listen to the voices of brewing and to people at Greene King. Ministers should intelligently examine the possibility of making modest cuts in beer duty—to save jobs in rural areas, to save our pubs and to maintain a vibrant village pub life in the United Kingdom.

Mr. John Swinney (North Tayside): The hon. Member for Kingston and Surbiton (Mr. Davey) wondered what might be Conservative Members' central proposition in this debate. I believe, after much careful listening, that their basic argument is that a lower differential in tobacco and alcohol prices between the United Kingdom and our European partners would reduce smuggling. Although that point is clear, I think that it significantly over-simplifies the argument. Even if the point could be proven—today, the Committee has heard enough conflicting evidence on the point to debate it endlessly—it does not provide a full explanation.

The decisions that a society makes on alcohol duty, tobacco duty, vehicle excise duty and road fuel duty—which the hon. Member for East Londonderry (Mr. Ross) dealt with in his speech—are based on a variety of perspectives and objectives. Revenue raising could be one of the Government's objectives in setting duty levels. Alternatively, duty levels could be set to try to generate a particular outcome.

The present and previous Governments have increased road fuel duty well in excess of inflation in an attempt to reduce vehicle use. However, as any hon. Member representing a rural constituency could tell any Government, increasing that duty to achieve that objective is an utter waste of time, because our constituents in rural constituencies have no alternative to using their cars. Increasing that duty to achieve that objective has therefore been particularly useless.

Tobacco or alcohol duty may be increased to achieve other objectives, such as to improve public health, essentially by saying to people, "Smoking and drinking may not be terribly good for you, and you should think twice before spending your money on them."

Sir Robert Smith (West Aberdeenshire and Kincardine): Does the hon. Gentleman think that although the declared intention behind increasing those duties may have been based on health or environmental factors, the Treasury had its eye on the fact that it could make much more money by increasing them?

Mr. Swinney: That logic is absolutely irrefutable in relation to the road fuel duty increases that I have had to watch being approved by the House in my three years as a Member.

Specific tobacco or alcohol duty increases may have a particular purpose other than to stymie increased smuggling or to extend the price differentials between the United Kingdom and our European partners, while sending a message to people in our community that excessive drinking and smoking may not be good for them. There has been some confusion in the debate about the ideal level for excise duties and about how to deal with smuggling.

We have had some interesting exchanges on what could be done to reduce smuggling, and the hon. Member for Workington (Mr. Campbell-Savours) made a particularly lively comment on the number of scanners that could be used. However, in dealing with smuggling the starting point must be the maintenance of an effective Customs and Excise network properly to protect the access points to the markets in our community. As those of us who are familiar with the changes made by the previous Conservative Government will know, Conservative Members left the Customs and Excise network in tatters. I support this Government's attempts to try to restore some of that network, but I am sceptical that their action will be sufficient to tackle the problem.

Today, Conservative Front Benchers have dealt with the matter of alcohol sales to minors as though the problem has been caused only by smuggling. In fact, the cause of the problem goes much wider than smuggling. Our community's regulatory and legal systems must enable us to protect minors from gaining access to alcohol and tobacco products.

We have to ask ourselves two fundamental questions on the issue of excise duty. First, are we entitled to maintain duty differentials between this country and our European partners? I think that, unless we are all signed up to tax harmonisation—which I am not—we are entitled to maintain the differentials. Secondly, do we expect excise duties and the way in which they are determined to have a credible effect on the purchasing patterns of individuals in our society? I have been dismissive of the impact of road fuel duty on the fuel purchasing patterns of my constituents, who live in a rural area, because I do not believe that they have an alternative to using

their cars. However, I am fairly confident that excise duties could affect people's patterns of purchasing tobacco and alcohol products.

The core of the fair parts of the amendments tabled by Conservative Members—and of the comments made by the hon. Member for West Worcestershire (Sir M. Spicer), who made a compelling case—dealt with why the Taylor report should be put into the public domain. Today, we shall have to hear from Ministers a new, different and very credible explanation of why that report has not been made public. If publicly commissioned and funded documents are not to be made public as we enter the freedom of information age, I wonder what on earth that freedom of information age is all about. What is the new age about if not to provide us with an opportunity to examine the issues?

The heart of the freedom of information issue is whether the House will be able to have reasoned and measured debates that are based on evidence. We have to keep a very keen eye on the issue. If the Committee or the House refuses to look the evidence straight in the face, we shall not be serving the public particularly effectively. The Conservatives have not proved that there is an inextricable link between smuggling and levels of excise duty, but I should like more evidence to be in the public domain so that we can arrive at a proper judgment.

Mr. Timms: We have had an interesting discussion on the amendments. I shall briefly explain to the right hon. Member for Wells (Mr. Heathcoat-Amory) and the hon. Member for West Worcestershire (Sir M. Spicer) why the figure of 3.4 per cent. was used for revalorising excise duties this year. Every year since the general election, we have revalorised duties by the expected increase in the all-items retail prices index over the 12 months from the September before the Budget. Since the general election in May 1997, the forecasts have been lower than the outturn, so the duty increases have been less than they would have been if we had used the actual inflation figure. Last year, inflation increases in excise duties were 1.3 per cent., whereas this year they are 3.4 per cent. It is swings and roundabouts. The hon. Member for West Worcestershire referred to RPIX and the 2.5 per cent. target, but it is the all-items RPI figure that is used for revalorisation, not the figure excluding mortgage payments. That accounts for some of the difference. I do not recall any complaints from Opposition Members last year at the small inflation increases in excise duties and there should not be any about the 3.4 per cent. increase this year.

Mr. Howard Flight (Arundel and South Downs): Will the Minister confirm that the Government moved to using the forecast because they had two increases in fuel duty in one year? Otherwise, they could have continued with past practice of using the same inflation index for taxes and allowances.

Mr. Timms: That was not the reason. The reason was the timing of the changes. The decisions are now made at a different time of year.

In 1998, the Government published the alcohol, tobacco and fraud review that we had commissioned. It examined fraud and smuggling in some detail, particularly issues relating to alcohol. That resulted in 90 recommendations to help stem and reduce levels of illegal activity. Customs was allocated £44 million for the period to 31 March 2002 to take forward the key recommendations. It has been acknowledged in the debate that we have implemented the main recommendations. Customs continues to work closely with the trade on those that remain.

Smuggling is a serious threat to our health and revenue objectives, but we have made it clear that we are not going to allow criminals to dictate our agenda or influence the levels of our duties. Following the 1999 Budget and the sharp rise in tobacco smuggling, my right hon. Friend the Chancellor appointed Martin Taylor to conduct an independent evaluation of tobacco smuggling last summer. His conclusions formed part of the new anti-smuggling strategy described in the Government paper, "Tackling Tobacco Smuggling", published on 22 March.

Mr. Letwin: Will the Financial Secretary now commit the Government to publishing the Taylor report?

Mr. Timms: There has been some discussion of that point during the debate. I was particularly interested in what the hon. Member for West Worcestershire said, but he was mistaken. My right hon. Friend wrote to the Chairman of the Treasury Committee on 26 January, saying:

> I am afraid that the advice which Martin Taylor gave to me contained matters that were recognised to be operationally sensitive, the release of which, even in summary form, would give smugglers a valuable insight into Customs' strategy for tackling tobacco smuggling.

My hon. Friend the Member for Workington (Mr. Campbell-Savours) was right on that point. I would have thought that the Conservatives would have been aware of that letter.

7.15 pm

Mr. Heathcoat-Amory: That is why I asked the Chancellor if he would place a copy of the report in the Library, with excisions of matters of operational sensitivity to Her Majesty's Customs and Excise. We fully understand that any matters of national importance to do with the intelligence services should be excised. The reply made no reference to that point, saying simply that Martin Taylor's advice to the Chancellor was personal and confidential.

Mr. Timms: I am glad that the right hon. Gentleman was aware of that; his hon. Friend the Member for West Worcestershire appeared not to be. The important point is that the recommendations on tackling smuggling were published in "Tackling Tobacco Smuggling" and have been fully implemented by the Government.

Mr. Letwin: Will the Minister now commit the Government to publishing the Taylor report with all operationally sensitive elements excised, and if not, why not?

Mr. Timms: My right hon. Friend's letter makes it clear why that would not be sensible. We have published the recommendations and are implementing them, as well as putting around 1,000 extra officers into tackling the problem, reversing the cuts in Customs under the previous Government. Our aim is to put cigarette smuggling into decline within three years. The additional staff dedicated to combating smuggling in the tourist lanes at the channel ports will yield important dividends in the fight against

[Mr. Timms]

alcohol smuggling as well, which featured particularly in the contribution of the hon. Member for Bury St. Edmunds (Mr. Ruffley).

My hon. Friend the Member for Workington rightly put great emphasis on the importance of scanners and asked me to comment on the issue, which I am pleased to be able to do. He is right about the significance of what we have done. We have committed £44 million to the purchase of a national network of scanners. There will be at least a dozen. All the main freight ports will be covered. Some of the scanners will be mobile so that we can move them to where the risk is highest. He would not expect me to say precisely where they will all be, for obvious reasons, but the first scanners will be in operation before the end of this calendar year and the remainder will be introduced during the next calendar year, so we are moving rapidly.

Mr. Heathcoat-Amory: If the scanners are going to be so quickly deployed and so successful, why does the Government's report say that the amount of smuggling will increase over the next three years?

Mr. Timms: The scale of the smuggling problem is evident. We have been open and frank about that. The right hon. Member for Bromley and Chislehurst (Mr. Forth) asked me about the scale of smuggling. The figures are in "Tackling Tobacco Smuggling". It is a characteristic of this Government that we commit ourselves only to targets that we can deliver and we only make promises that we can keep. That is why we have committed ourselves to reversing the increase in smuggling within three years. Customs is confident that it can deliver that and I have no doubt that it will.

Mr. Casale: I accept that smuggling is a threat to our health and revenue policies, but will my hon. Friend confirm that those policies are not being undermined completely by smuggling? Revenues from tobacco are going up and there is clear evidence of improvements in public health through people giving up smoking as a result of the increases. Will he further confirm that altering the price of tobacco is not the only possible anti-smuggling policy? Is it not a matter of regret that our increases in policing and controls are not supported by the Opposition?

Mr. Timms: My hon. Friend is right about the importance of tobacco duty as part of an anti-smoking policy. Interestingly, the shadow Health Secretary agrees with him on that point. During the debates on last year's Finance Bill, the Opposition tabled amendments to freeze or reduce all tobacco duties on the grounds that the rises encouraged smuggling. To listen to some speeches from Opposition Members today—including Front Benchers—one might think that that was still their policy. In fact, the policy this year is to call for some reports.

Three months after the Finance Bill debates last year, the shadow Health Secretary published a review of Conservative policy on smoking that dropped the previous Conservative opposition to the advertising ban, and reversed the Conservative party's opposition to tobacco tax increases. The review stated, presumably, the view of all Opposition Front Benchers—that duty increases on cigarettes

send out the correct health message.

He is absolutely right.

Mr. Forth: Rubbish.

Mr. Timms: The right hon. Member says that that is rubbish, and he has put his name to a very different amendment from that tabled by his Front-Bench colleagues.

In this debate, I was expecting to congratulate Opposition Front Benchers on a sensible policy U-turn. However, the right hon. Member for Wells still had the rhetoric of last year, even though the policy substance and the amendment are different.

Mr. Flight: Will the Financial Secretary give way?

Mr. Timms: No, I have to make some headway, tempting though it is to give way to the hon. Gentleman.

I welcome the modest change proposed in the Conservative amendment, which recognises, as the shadow Health Secretary has done, that duty increases on cigarettes send out the correct health message.

A couple of days ago, I replied to one of the many letters that I receive; this one was from Wakefield health authority, and was signed by the director and deputy director of public health and the director and deputy director of the Wakefield health action zone. The letter made the straightforward point that increasing the price of tobacco through taxation leads to a reduction in consumption and, most importantly, helps to discourage young people from becoming addicted. That is the overwhelming view of those who work in health care and are concerned about these issues. That has been recognised, rightly, by the shadow Health Secretary.

On alcohol duties, there is a need to maintain the real value of Government revenue to help achieve all our objectives, such as strengthening the health service and education. Excise duty and value added tax on alcohol make a significant contribution to the Exchequer—more than £10 billion in 1998-99.

This is the first increase in the beer, wine and main cider duty rates since January 1999. It is worth making the point that alcoholic drinks are now taxed less heavily than they were at the beginning of the single market. Compared with duty rates in 1993, excise duty on beer has fallen in real terms by more than 4 per cent. The proportion of duty in relation to the cost of an on-trade pint of beer has fallen from 38 per cent. of the retail selling price in 1982 to about 30 per cent. now.

Some claim that high taxation is putting alcohol producers and pubs out of business, but that is not the case. There are lots of reasons why some businesses fail and others prosper. A significant number of breweries have reported extremely good or even record profits, such as Shepherd Neame, Young's, Belhaven, and Gales.

Abandoning the duty increases along the lines proposed by the two amendments would cost £90 million in alcohol duty and £235 million in tobacco duty. Amendment No. 8, tabled by the right hon. Member for Bromley and Chislehurst, would significantly cut tobacco duty rates, and would be particularly damaging. It ignores the vital health implications

of consequent reductions in the cost of tobacco—some 94p off the price of a typical pack of 20 cigarettes—and would cost the Exchequer £1.8 billion. Public services, including the health service, would be deprived of essential funding, and future demands on the health service would be compounded by a significant growth in the number of smokers who would require treatment.

Reference has been made to the work of the Treasury Committee in this area, and I refer hon. Members to the conclusions of its investigation into Customs and Excise, which was a worthwhile and important contribution to the debate. The Committee observed:

academic evidence does not lend weight to the argument that reducing duty rates would discourage cross-Channel trade, legitimate or otherwise to the extent that government revenue would increase.

The hon. Member for Kingston and Surbiton (Mr. Davey) rightly drew attention to that point. The Committee also noted that it did not believe that reducing duty rates

would affect large-scale smuggling which appears to be the major problem.

The Committee was right about that, and the important point was made by the hon. Member for West Worcestershire, but missed by his Front-Bench colleagues. The serious problem about cigarette smuggling is not duty-paid cigarettes from the rest of the EU being brought into the UK, but cigarettes being smuggled from outside the EU, frequently with no duty having been paid at all. A small variation in the rate of duty in the UK will not change that. That is why, as my hon. Friend the Member for Erewash (Liz Blackman) rightly said, there are serious smuggling problems in Italy and Spain, where the duty rate is much lower. It is not a problem of comparative duty rates within the EU, but of smuggling from outside the EU.

In short, the Government do not intend to produce any further reports on smuggling to the timetable that has been indicated, nor do we intend to reduce tobacco duty rates. It would be quite wrong to make that reduction. I urge the House to reject the amendments.

Mr. Letwin: Some elements of this debate have been positively surreal. We were treated to a disquisition on economics by the hon. Member for Workington (Mr. Campbell-Savours), in which he explained that changes in duty would have no effect on the propensity to smuggle. That was a unique contribution to the economics of welfare that will live in our memories.

The hon. Member for Kingston and Surbiton (Mr. Davey) referred to some academic studies. He may be right that it remains the case, as the Treasury model assumes, that, in liquor and tobacco, we have not yet reached the crossover point—the point of diminishing returns. It may be right that reductions or stasis in duties will have a commensurate, or almost commensurate, effect on revenues. The Opposition amendments raise a different matter. I declared my interest in the register, as I suppose that there are some firms with which my bank has a relationship that would be affected.

More important than that, millions of our fellow countrymen are being criminalised under present policy. The Financial Secretary is in possession of a valuable item in that connection—a serious report, commissioned with taxpayers' money from a distinguished business man who reported to the Chancellor, who is not an ordinary individual. We have reason to believe that that report may contain important evidence and observations about the relationships—

Mr. Campbell-Savours: The hon. Gentleman is guessing.

Mr. Letwin: I am guessing, and I am doing so because a cover-up is going on. It is not in the interests of the Executive in the long run or of Parliament in the short term that such a cover-up should continue.

The Minister and his colleagues are in possession of a report that may show a clear relationship between the level of duty and the duty differential currently obtaining on the one side, and the level of smuggling, which is having a huge and—as even the Government's own report admits—growing effect on the criminalisation of very many of our fellow countrymen. That is not a matter to be laughed off or dismissed by any study, however econometrically valid or otherwise, of the relationship between duty and revenue. We are dealing with a social crisis that will not be resolved by a few scanners. The Government do not think that and they do not say that in their report, and the issue has not been resolved after repeated attempts at administrative action.

7.30 pm

Mr. Timms: The hon. Gentleman mentioned people being criminalised. Will he confirm that people who indulge in criminal activity do so of their own will and that it is right that they should be caught and punished?

Mr. Letwin: Yes and yes, and yet this is the Government who came to power under the slogan, "Tough on crime, tough on the causes of crime." This issue is a major cause of crime in this country and there comes a moment when the problem becomes so great that the social inhibitions against criminal activity that normally restrain decent individuals in our society begin to break down. If the Financial Secretary has not noticed that happening, he is less percipient than I gave him credit for.

The Government know, and the report they commissioned made it clear—we suspect—that the main cause of the smuggling today is the duty differential. All the Opposition ask this evening is something that this Government, of all Governments, are bound to concede, being as they are so deeply devoted to the principle of freedom of information. We ask that they do not proceed with further duty increases until they bring before the House a clear and distinct report on the relationship between smuggling and duty.

Mr. Andrew Stunell (Hazel Grove): I have been following the hon. Gentleman's argument with some care. Is he saying that there comes a point when the pressure towards criminal behaviour is such that the Government have to give way? Does he believe that that applies to cannabis and the widespread breaking of the law on its consumption?

Mr. Letwin: I am amazed by the exceptional ability of the hon. Gentleman, who has been following our remarks with great care but has not been in the Chamber for almost the entire debate. I am not suggesting that the Government

[Mr. Letwin]

should give up their attack, in this case or in others. I suggest that the Government should operate on a sensible and professional basis of sound evidence, and not conceal the evidence that they have from the House. That is a proposition so evident that I would have thought that Ministers, on reflection, will concede it.

Question put, That the amendment be made:—

The Committee divided: Ayes 113, Noes 309.

Division No. 174] **[7.33 pm**

AYES

Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Bercow, John
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Mates, Michael
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Portillo, Rt Hon Michael
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid–Norfolk)*
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Steen, Anthony
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Waterson, Nigel
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Geoffrey Clifton-Brown and
Mr. Peter Atkinson.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Ballard, Jackie
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blunkett, Rt Hon David
Borrow, David
Bradley, Keith *(Withington)*
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Butler, Mrs Christine
Campbell, Rt Hon Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Connarty, Michael
Corbett, Robin
Corston, Jean
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Edwards, Huw
Ennis, Jeff
Etherington, Bill
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foulkes, George
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr Kim
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*

Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
McAvoy, Thomas
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Rt Hon Alun
Michie, Bill *(Sheffld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Rt Hon Alan
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rapson, Syd
Raynsford, Nick
Roche, Mrs Barbara
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Tyler, Paul
Tynan, Bill
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
Webb, Steve
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Wilson, Brian
Winnick, David
Wood, Mike
Woodward, Shaun
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. David Jamieson and Mrs. Anne McGuire.

Question accordingly negatived.

THE CHAIRMAN, *being of the opinion that the principle of the clause and any matters arising thereon had been adequately discussed in the course of debate on the amendments proposed thereto, put forthwith the Question, pursuant to Standing Order No. 68,* That the clause stand part of the Bill.

Question agreed to.

Clause 1 ordered to stand part of the Bill.

Clause 12 ordered stand part of the Bill.

Clause 30

CLIMATE CHANGE LEVY

Question proposed, That the clause stand part of the Bill.

Mr. Heathcoat-Amory: In the absence of the clause having been moved, I think that I might make a few remarks about climate change, which is an important matter. It behoves the Government to explain the clause.

The Temporary Chairman (Mr. Frank Cook): Order. For the benefit of the House, I ought to clarify a point that seems to be causing some confusion. The clause does not have to be moved in the normal fashion, as the Question proposed by the Chair is that the clause stand part of the Bill.

Mr. Heathcoat-Amory: If the Government have so little confidence in the clause, I shall explain why the House should not incorporate it into the Bill. However, it would have been a courtesy to the House had the Treasury Front Bench explained why the Government wish to impose a new tax on the country. We will be interested in the Government's response in due course, but the debate would have proceeded in a more orderly manner if they had given their view of the merits of their energy tax.

Opposition Members are used to dotty new tax proposals, but the energy tax is the stupidest to date. It is a completely unnecessary new tax. The environmental objectives that it purports to deliver could be achieved far more easily by several other means.

The tax is also extremely complicated. The schedule attached to the clause is more than 80 pages long. We shall not debate that this evening, although we shall turn to it in due course in Committee Upstairs. However, I have already tried to understand it, as have the businesses that will be affected by it. The Government are still committed to their tax simplification project, but it has had no influence over the language and structure of the schedule, which describes the energy tax in detail.

[Mr. Heathcoat-Amory]

That is a serious matter, as every business in the country, regardless of size, will have to try and make sense of the new tax and its provisions. The tax is unnecessary and complicated, as I have said, but it will also have a perverse effect on the industries and businesses affected by it.

I have said that all businesses, of whatever size, will pay the tax. I declare an interest here: I am a director of two companies, and we will be paying the tax. I think that those businesses will in fact be net beneficiaries of the tax, so they are in an unusual position. In that sense, I have a negative interest to declare, but for the sake of good order, I remind the House of my registered interests.

What is particularly striking about the new tax is the damage that it will do to manufacturing industry. The Labour party has long given up its traditional support for the manufacturing sector. There was a time when almost all Labour Members had at least some lingering attachment to the cause of manufacturing industry. New Labour, clearly desperate to sever itself from its past, has pretty well abandoned that mission and clearly regards support for manufacturing as something of an embarrassment. There is no other way of explaining away the succession of hammer blows that the Government have directed towards the manufacturing sector. We have already seen how diesel duty—diesel being the fuel of industry—has become the most expensive in Europe because of successive increases in duty. That has made the British haulage industry uncompetitive and raises the cost of every manufactured product that has to be physically transported.

Furthermore, we have seen a mass of regulations. It has been reported to the House before that even according to the Government's own regulatory impact assessment, the cumulative costs of regulation have totalled more than £10 billion over the course of this Parliament. I am grateful to the British Chambers of Commerce for that information. The bulk of those regulations are directed towards the manufacturing sector.

We will be debating other matters tomorrow, such as the changes to the double taxation relief. The Government pretended at the time of the Budget statement that such changes would levy an additional burden on British businesses of only £300 million. The Confederation of British Industry has given a figure today, estimating that the burden will be £750 million on only 40 member firms. The Government are in retreat on that issue. Again, such a change will damage British competitiveness and the attractiveness of this country for overseas investments.

Perhaps the most stupid proposal is the new energy tax. Rebates will be available to some firms and industries, which can negotiate a rebate of up to 80 per cent. The catch is that only some privileged sectors and businesses will be eligible for those negotiated rebates. Some 40 per cent. of the energy used in manufacturing will not be eligible for rebates. The reason is that they are confined to those businesses subject to the European Union integrated pollution prevention and control directive. That directive was designed for a completely different purpose. It covers pollution control, but the Government are using it for another purpose—to decide the level of energy tax on business and industry.

Vehicle manufacturers, for example, will not be eligible for negotiated rebates. They will have to pay the full amount. That information comes from a parliamentary briefing on the energy tax produced by the CBI in the past few days. It points out that farming, micro-electronics, packaging, industrial films and brewing industries will all have to pay the full energy tax, regardless of their energy efficiency.

A curious and rather damaging item has come to light. Each vehicle manufacturer in the United Kingdom will have to pay annually at least £1 million net in energy tax. That is a very unwelcome development because it affects Rover and its possible rescue. The Department of Trade and Industry is, in its clumsy way, now trying, along with the Prime Minister, to help the Phoenix bid for Rover, and it is talking about an emergency aid package. Meanwhile, the Treasury is planning to impose a new tax on that company of at least £1 million a year. So the new consortium is £1 million down even before it starts. That is another spectacular example of how one Department is working against the interests of another. One wonders whether they even talk to each other. It is no wonder that businesses are exasperated with the Government's pretended partnership with the business community.

Mr. Tim Loughton (East Worthing and Shoreham): Is not the point that the energy tax pays no regard to all the investment and effort that companies have made in the past in improving their energy efficiency? There was virtually nothing in the Budget about capital allowances for re-equipping by companies that gave any advantage to environmentally friendly capital investment in new equipment by companies such as car manufacturers.

Mr. Heathcoat-Amory: My hon. Friend, who knows a great-deal about this, is spot on. Vehicle manufacturers in this country have already reduced carbon dioxide emissions by a quarter between 1990 and this year. My hon. Friend is absolutely right: they made great efforts to cut emissions, they are environmentally responsible, but there is no recognition of that in the design of the new tax. Not only that, they will be ineligible even for the reductions and rebates for which other industries may be eligible.

Mr. Swayne: The situation that my right hon. Friend described is all the more unwelcome for being unexpected. Those of us who have been making representations to Ministers on this question for the past 18 months were informed that there would be negotiation on rebates. Only now do we discover that those industries are not eligible for the rebates. That point has been made recently and unexpectedly.

Mr. Heathcoat-Amory: My hon. Friend is absolutely right. That is why the CBI briefing document also says about the proposals instanced by my hon. Friend:

> So far, all of these proposals have been rejected with little explanation.

That is the point. It rankles with business and its representatives that these ideas are simply being dismissed without the Government even explaining why.

There are many other lunatic things about the construction of the tax. I take as an example its treatment of combined heat and power. CHP has been of great

interest to me ever since I served in the Department of Energy. It makes business and environmental sense. CHP plants that produce electricity also use the heat that would otherwise go to waste. The most familiar CHP process is that of the motor car and its heater. Every time we switch on a car heater in the winter, we experience the productive use of waste heat from an internal combustion engine.

8 pm

On a larger industrial scale, the double use of energy brings great environmental benefits. One might have thought that it would be encouraged by the new energy tax, but it is not so. The Combined Heat and Power Association, a responsible and energetic body, states:

> The treatment of CHP under the Levy is causing grave concern both, among CHP developers and wider industry which seeks to utilise it . . . CHP has not yet been granted the fair access to this market that it was promised by Ministers.

The House might ponder on the final few words. People have been led up the garden path. They were assured by the Government that CHP would be given fair access to the market, but that is not the case.

Mr. Swinney: The right hon. Gentleman's final point has answered a question with which I was wrestling. A company in my constituency, which faces a particularly severe impact from the climate change levy, has been advised that going down the combined heat and power route would save it some costs. A briefing document from a firm of consultants says that CHP has exemptions to the levy. Does the right hon. Gentleman suspect that people have been encouraged to believe that and that that advice has been given to companies although it is not correct?

Mr. Heathcoat-Amory: I am afraid that I must draw that conclusion. Various assurances have been given in principle, including perhaps to the hon. Gentleman's constituent company. The small print reveals matters to be different. I shall give way to the Minister so that he may give us an assurance to the contrary.

Mr. Timms: The right hon. Gentleman is in danger of unintentionally misleading the House. The advice given to the firm referred to by the hon. Member for North Tayside (Mr. Swinney) is absolutely right. Combined heat and power systems will be exempted from the climate change levy. There has been a call for a wider exemption for power generated by CHP systems where it is sold from the firm that generates it to the grid. Our view is that the most generous arrangement for exemptions should apply to renewable energy sources, and that is what we propose in the levy. A firm using its own CHP will be free from the levy.

Mr. Heathcoat-Amory: That will not do. Anyone who knows anything about CHP knows that only some schemes entirely use the power on the plant site without importing or exporting some electricity. Most bigger schemes rely on fluctuations: at some stages, they import electricity from the grid, and at others, they export it to the grid. Unless that process is exempt, the entire scheme will be in danger of being uneconomic.

Let me give a specific example. British Sugar has made extensive use of CHP in the past. In fact, all nine of its factories use CHP, and have done so since the 1920s, making the company something of a pioneer. British Sugar recognises the high energy efficiencies gained by those plants—about 80 per cent., compared with under 50 per cent. for conventional power stations. The company is anxious to renew and extend its CHP plants, but has written that

> despite Government assurances that the
>
> climate change levy
>
> would not apply to CHP, it is now clear that it will apply to electricity sales made to licensed suppliers and subsequently sold on to business consumers.

It adds:

> this application of the CCL . . . will make further commercial investment in large projects to install new technology CHP uneconomic.

British Sugar has therefore

> decided to defer our decision to proceed with investment for replacement CHP at our York and . . . (Norfolk) sites for which we already have Section 36 consents. We will also defer further feasibility studies.
>
> We deeply regret this outcome, as we firmly believe in the contribution that CHP can make to the reduction in CO_2 emissions.

The trade association has described the damage that the half-baked new tax will cause, and a possible user of a new generation of CHP plants is not going ahead with two planned sites and will not undertake further feasibility studies.

Mr. Michael Jack (Fylde): My right hon. Friend may be aware that the same company was encouraged in its endeavours by the Financial Secretary himself who has said that CHP can make a valuable contribution to achieving emissions reductions.

Mr. Heathcoat-Amory: My right hon. Friend is absolutely right. It is appalling that companies have heard lots of warm words telling them that the levy would treat CHP helpfully and give a green light to new schemes when that is not so. When we read the small print and examine the clauses and schedules, we find that new plants will not be economic and will not happen.

The Government are damaging an environmentally beneficial technology. They are taxing firms for using energy, but discouraging the very technologies that would enable the firms to reduce their energy consumption and avoid the tax. That is absolutely crazy. In fact, it is more than that—it is a political and economic crime.

I do not know whether the muddle over the new tax, which has lasted more than a year, is due to ignorance or arrogance. I genuinely do not know whether the Government simply do not understand what they are doing, or understand but do not care. They have been told about the difficulties by many industries. One more example is the Engineering Employers Federation, which said:

> We are concerned that a sizeable proportion of EEF member companies will be substantial net 'losers' under the levy/NI rebate system. This will cause many UK engineering and manufacturing companies to become uncompetitive in international markets.

Yet the Government waffle on about the need for productivity gains and competitiveness that will conquer world markets. It is all just talk. In reality, in a succession of badly designed taxes, they are reducing competitiveness.

Mrs. Jackie Lawrence (Preseli Pembrokeshire): Is the right hon. Gentleman aware of the Cambridge

[Mrs. Jackie Lawrence]

Econometrics report that makes it clear that the climate change levy will benefit competitiveness in all sectors by increasing productivity with respect to energy inputs, by encouraging innovation, by improving energy management and by preparing relevant firms to exploit future markets?

Mr. Heathcoat-Amory: I am afraid that that is just not the case. Firms who are in the best position to undertake an assessment are convinced that they will be made uncompetitive in world markets. I have given the House one example of a representative body which says so.

Mr. Clapham: The right hon. Gentleman will be aware of the relationship with the new electricity trading arrangements that will come into being this autumn. There will be a change in the pool system, and the competitiveness of British industry will be stimulated because electricity will be cheaper.

Mr. Heathcoat-Amory: Actually, the change in the pool system is specifically referred to in the representations to which I have referred, but I have not gone into it because it is not part of this debate. I assure the hon. Gentleman that those changes are fully taken into account in the overall assessment made by the firms and associations that the new and unwelcome tax will damage British competitiveness, a matter that should concern the whole House.

What is particularly dotty is that the tax is not necessary on environmental grounds. There has always been an alternative route: to commit to more gas-fired electricity generation. That is another way to achieve reductions in carbon dioxide. Of course, when the tax was announced the Government were operating a moratorium; they had blocked 15 power station consents. We pointed out many times that, if they unblocked that moratorium, emissions could be reduced more efficiently and in a way that was less industrially damaging.

The Government never denied that point, but they would not budge on their energy policy until two weeks ago, when the Department of Trade and Industry issued a statement that the gas moratorium had been lifted. The 15 power stations that were refused consent can now proceed. That is a welcome U-turn, but it means that the energy tax is completely unnecessary. Even though all those 15 power stations might not be built, it is nevertheless calculated that merely a proportion of them would deliver a carbon dioxide saving equivalent to the one that the energy tax is designed to make.

It is clear that a policy mix of voluntary agreements, which were going ahead anyway, an emissions trading system, which is being designed, more combined heat and power and more gas-fired electricity generation would more than meet the required target for carbon dioxide reductions. We are committed to that internationally and the Conservative party certainly supports it.

In summary, the tax is thoroughly bad. It gives a further twist to the regulatory spiral; it damages British competitiveness and deters inward investment. It has perverse and arbitrary effects on industry; some processes, businesses and industries qualify for exemptions or rebates while others do not. Furthermore—perhaps the most spectacular point—the tax is unnecessary on environmental grounds. That is why we oppose it.

Mr. Stunell: I was rather disappointed that the Financial Secretary to the Treasury did not feel it necessary to introduce the debate on the clause. Other hon. Members can only take on trust—or as an expectation—the arguments that he will deploy when he winds up the debate.

There is no doubt that the provision is extremely important, but it has a much broader context than the Bill. Although we welcome the Chancellor's commitment to tackling the environmental problems faced by our country, we have some deep reservations about the form in which the climate change levy is presented, especially in schedules 6 and 7.

The Bill comprises 85 pages, which will make for interesting work in the Standing Committee. We shall be tabling amendments to change the overall design of the Bill, to improve its environmental effectiveness and to mitigate its impact on employment and investment.

There is a bigger picture against which the tax should be judged. Despite some of the comments of the right hon. Member for Wells (Mr. Heathcoat-Amory), we should acknowledge that the UK must respond to climate change not only as a legal but as an environmental obligation, if we are to play an active part in the world as a mature democracy.

8.15 pm

We must acknowledge that climate change, as it affects our country and the whole planet, is largely human-induced. It has been produced mainly by the consumption of fossil fuels and also by the loss of absorption mechanisms—deforestation has had a major impact on the planet's capacity to absorb carbon emissions. Various industrial technologies and processes have contributed to the problem.

That release of greenhouse gases is having a significant effect; it is changing the climate. Perhaps one problem is that the phrase "climate change" sounds rather neutral. In many cases, we are talking about climate degradation, not merely climate change. If we do not respond with effective policies, in this country and internationally, there will be severe consequences.

I give credit to the Government for the spirited way in which they participated in the Kyoto talks, for their willingness to enter a Europewide agreement and for the broad consultations that they have set in hand during the past two years. Although I have criticised the slowness of the process, one cannot deny that much ground has been covered. The consequences of climate change have certainly been acknowledged in the Government's thinking and, to some extent, in the climate change levy.

If there are no policy alterations in this country, in other EU countries and worldwide, we face the degradation of the planet's biodiversity, a worsening of the human condition in many parts of the world—to a considerable but, fortunately, not a major extent in this country—and economic disruption that could certainly spill over to affect this country directly.

Mr. Andrew Tyrie (Chichester): I support compliance with Kyoto, but I should be grateful if the hon. Gentleman could tell me where there is any evidence that an increase in the temperature of the planet would necessarily result in a reduction of biodiversity.

Mr. Stunell: We are in danger of going wide in the debate. However, in a densely populated planet, a large

number of habitats are isolated communities. If the conditions in which those communities can exist migrated—for example, to the north—there would be no space that was not already occupied by human habitation to which the ecosystems could also migrate. That biosystem would thus be extinguished. I should be happy to provide the hon. Gentleman with more details, but you might rule me out of order, Mr. Cook.

We welcome the provision in principle, but we have some criticism of the detail. We applaud the aims of the climate change levy. As we understand them, they are primarily to reduce greenhouse gas emissions. Secondly, they would put the UK at the leading edge of conservation technology; there is a large world market to be exploited if we can achieve that. A further aim is to safeguard employment and investment in the UK—that flows from the second point. The final aim is that the levy should be revenue neutral: that is rarely sought and even more rarely achieved in taxation proposals.

Although those aims are laudable and we welcome them, the means to achieve them remain flawed. Despite the repeated fixes that have been applied to the proposal by the Departments of the Environment, Transport and the Regions and of Trade and Industry and, latterly, by the Treasury, the fact remains that the details are not satisfactory. I hope that the Liberal Democrats can play a constructive part in improving the climate change levy as it proceeds through the House.

The first of our criticisms is that the levy is on the wrong thing at the wrong point. If the levy is designed to cut greenhouse gases, especially carbon dioxide, it would be better applied upstream, where the oil, coal and gas are first burned. If the aim is to save carbon dioxide discharges in particular, it would be more sensible to apply the climate change levy to just that—not, for instance, to electricity generated from hydro power—and, to take the point made by the right hon. Member for Wells, to make adequate provision for combined heat and power to flourish.

Mr. David Drew (Stroud): Would the hon. Gentleman like to add nuclear to his list?

Mr. Stunell: No, I would not.

I draw the attention of the Committee to the fact that the Government have proposed several ways in which combined heat and power can come to the market and be a significant part of the generating capacity. In fact, they have a target of 10,000 MW of installed CHP by the year 2010. The climate change levy will slow down that process. It will make it more difficult for combined heat and power projects to justify themselves in the pecking order of investment by companies that are looking at the options.

I had the opportunity to attend a seminar that was addressed by the hon. Member for Leeds, West (Mr. Battle)—who was Minister for Energy and Industry before he moved to the Foreign Office—and by the leading exponents of CHP in the industrial community. Having received their public reward and award for installing CHP, they were then asked a direct question—would they proceed to install the next phase? They said that they would not—not just because it would not save them money but because, in a world in which enterprises compete for investment, CHP did not produce as good a return for that company as some of the other things that it could do. A move like the introduction of the climate change levy in its present form will make the possibility of investment in CHP by that company that bit more remote.

Therefore, our first criticism is that the climate change levy is a levy on the wrong thing at the wrong point. Our second criticism is that the levy is too rough and ready, when it should be smooth and progressive.

Originally, the levy was published as being designed to raise £1.8 billion. That has wisely been scaled down to about £1 billion, but Liberal Democrats believe that that could well prove to be a damagingly large abstraction of money from manufacturing at a time when it can ill afford it. In many companies, profitability—even viability—is under severe threat, and we would prefer a climate change levy to be introduced at a lower rate but with a clear built-in escalator, so that progressively tougher targets are set during the period up to 2010.

A low start-up rate will avoid the damage to companies that may occur with the abrupt introduction at the level that the Government propose. The announcement, well in advance, of a progressive escalator up to a higher value over the next 10 years will give the right signals for those who are planning investment and development within their companies, and would take account of the time frame that is needed for those investment decisions to be run in, installed and matured. We need a climate change levy that takes some account of the business cycle and of the speed of investment decision taking and installation.

Our third concern relates to the recycling mechanism. Other hon. Members may want to explore how the national insurance reduction will impact on productive industry and on the service industries. The first, on average, would be losers; the second, on average, beneficiaries.

The Minister may want to comment on the fact that the fastest growth sector in the use of energy is not manufacturing but the service sector, which, perversely, will get extra money to spend as a result of the introduction of the climate change levy although it is the most rapidly expanding and profligate user of energy.

Mr. Timms: I look forward to responding to the hon. Gentleman's arguments, but I just say to him that—contrary to what he is suggesting—the levy package will be broadly neutral between the manufacturing and service sectors and, broadly speaking, bring about no fiscal shifts.

Mr. Stunell: I shall follow, with great interest, the Minister's detailed explanation, as it might possibly justify that statement, although it is hard to credit at the moment.

I did not want to focus on the national insurance issue tonight, because those matters could be well explored in Committee Upstairs, but I wanted particularly to deal with the green recycling element of the mechanism—the £150 million that the Government are making such a song and dance about. Initially that was to be £50 million, and a great deal of noise was made about the fact that it was being trebled to £150 million.

I hope that the Minister will be prepared to acknowledge that the £150 million is "funny money". A hundred million pounds of that is simply bringing forward the investment allowances of companies in

[Mr. Stunell]

conservation and efficiency measures. I understand that the cost to the Exchequer is anything but £100 million; it is more like £5 million.

Mr. Swinney: I want to bring forward some further information on the constituency case that I raised with the right hon. Member for Wells (Mr. Heathcoat-Amory). The investment that that company has been recommended to make to improve its energy efficiency is £1 million, so, if that is to be a claim for one company out of this supposedly £150 million fund, there will obviously be a severe impact across a range of companies that are affected by the costs of such investment.

Mr. Stunell: The hon. Gentleman makes an important point, which is perhaps about the overall size of the fund that is being made available. Leaving aside whether it is "funny money", is £150 million sufficient to trigger off the investment that is needed? I believe that experience has shown, over many years, that companies respond better to incentives to invest than they do to penalties if they do not invest, so there is every reason to consider whether £150 million is the right amount.

However, whether or not £150 million is the right size for the fund, the Government should acknowledge and understand that what they propose is not actually £150 million of recycled money but simply capital allowances with very little public expenditure impact. I suggest that it will not be a sufficient spur for companies to invest.

The right hon. Member for Wells commented on the so-called IPPC deals in the energy-intensive industrial sector. Those of us taking part in this debate are at a disadvantage, in that we have not seen the agreement that has been reached. We have heard rumours. We are told that we shall get an excellent deal—plenty of bangs for our bucks—and we are eagerly waiting to hear the outcome. However, even if the conclusion of the deals in those energy-intensive sectors means that enough money is recycled and available for those industries to achieve the efficiency improvements to which they are committed, the incentives to invest in the industries that are not included are not nearly sufficient.

8.30 pm

The right hon. Gentleman said that the tax is not necessary, but we do not agree. We need a levy or a carbon tax; we need a stick as well as a carrot; we need to give a clear signal to industry and to make a clear commitment internationally to fulfil our obligations.

Letting gas generation take over from coal is not a let-out. Certainly, that will reduce carbon emissions in the short term, but as the hon. Member for Stroud (Mr. Drew) indicated, in what is a short time in the energy market, nuclear generation capacity will end, and, if we replace that with gas or coal, we will increase carbon emissions. We must have in mind the future beyond 2010 when we set our policy on the climate change levy. We need a policy that allows us to do more than reach the Kyoto target by 2010. If, on 2 January 2010, when we start to confront the targets that lie beyond the Kyoto limits, we have no policies on the stocks, no research, no investment plans being developed, no export industries and no plans for beyond 2010, this country will find that it has failed the test.

Liberal Democrat Members welcome the intentions behind the climate change levy, but we have deep concerns about much of the detail embedded in the massive schedules. We shall support the principle tonight, and fight to correct the all-important details later in the Committee proceedings.

Mr. Jack: I hope that I do not do the hon. Member for Hazel Grove (Mr. Stunell) a disservice when I say that he sounds like a man who has not had to make hard decisions in business about how to save money and keep within one's budget. I declare my business interests, which have been properly lodged in the Register of Members' Interests, in that I maintain the interests in horticulture and fresh produce which I had before I entered the House. That industry would not exist today if it had not, by virtue of the fact that energy is a key factor in its activities—certainly in the protected horticulture sector—fought year in, year out to keep down its energy costs. The industry's track record on energy saving is second to none.

The extent to which the Government have thought through the climate change levy is evident from the fact that in Budget 2000, the financial statement and Budget report, the best that we read is that the Treasury has, after many representations from the horticulture industry, produced a 50 per cent. reduction in the effect of the CCL on that industry. Only last Friday, the hon. Member for South Ribble (Mr. Borrow) and I attended a meeting with west Lancashire growers, who again made the point that all areas of the industry, including protected edible crops and the hardy ornamental sector, will be dealt another body blow if the CCL is imposed, even with the 50 per cent. reduction. At a time when there are cosy summits in Downing street between the Prime Minister and the farming industry, it is ironic that this most vulnerable part of the agriculture sector is again being hit hardest by the Government.

Horticulture has a disproportionate influence in certain parts of the country, such as the north-west of England and the west midlands. It is interesting that in the vale of Evesham horticulture employs many people, but the cross that the west midlands is bearing at the moment is the demise of the Rover car company. The Government say that they will fight for every job in the west midlands, but they are going about it in a strange way, because at the same time that Rover's problems are occurring, they are clobbering a major user of energy—the horticulture industry. That little cameo clearly demonstrates why we should not allow the clause to stand part of the Bill. The Government should think again about their objective of meeting the Kyoto target.

I am in favour of saving energy, but I am deeply suspicious about the way in which the Government have decided to go about it. When they came to office in 1997, they were bequeathed perhaps the first working environmental tax—the landfill tax. When that was introduced by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), it was fiscally neutral and acknowledged as such. Shortly after coming to office, however, this Government started the process of creep. The landfill tax suddenly went up, but where was the parallel rebate? There was no rebate. As a former Treasury Minister, I am, perhaps, experienced enough to

know that once one has made the bridgehead, one can do much with the tax that has been established. This tax is a Trojan horse to give the Government another nice little earner.

Mr. Loughton: Is not it true that for every £1 increase in the landfill tax under this Government, not a single penny has been hypothecated back to local community environmentally friendly schemes, as was the vast majority of the tax when it was introduced by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory)?

Mr. Jack: My hon. Friend makes a powerful point that reinforces my own. We have heard nothing from the Government to indicate that they have any intention of sticking to what they say is broad fiscal neutrality for the climate change levy.

The Financial Secretary tried in an intervention to carry the Committee in an argument for the measure on the basis that, broadly, there would be neutrality. I am intrigued by the number of representations—which I shall later describe—from companies which have been mentioned in the debate by my right hon. and hon. Friends. Company after company, in manufacturing, horticulture and other industries, has pointed out the inequalities in the proposal. In their judgment, the national insurance rebate does not touch their industry. It would have been interesting to see how this distribution of national insurance rebate worked out. In the words of a famous beer advertisement, it is a rebate that seems not to be reaching a vulnerable part of the economy, which is manufacturing—hence the representations that Members have received.

Mr. Stunell: Does the right hon. Gentleman share my incredulity at the Minister's claim that there was complete neutrality within the sectors?

Mr. Jack: I am grateful to the hon. Gentleman, who underscores my point. Perhaps the Financial Secretary will enlighten us on the bland statement of justification for the fiscal impact of the tax.

I do not think that the Minister will respond to my next point, but I shall make it. Given the way that legislation is framed in government, little notes go around Whitehall inviting Departments to make their comments on proposals. I shall be grateful if the Financial Secretary will consider being candid with the House, lifting the veil a little and letting us know what exactly the Minister of Agriculture, Fisheries and Food said on behalf of the horticulture industry, and what exactly the Department of Trade and Industry said in its more candid moments about the burden on industry.

The way in which an environmental tax has been half-inched by the Treasury is remarkable. It has suddenly become the great environmental arbiter of taxation. The Department of the Environment, Transport and the Regions is no longer in that position. The Deputy Prime Minister lost that battle a long time ago. In terms of environmental legislation, the Treasury is the powerhouse. We have not been told whether the rest of government, in a more candid moment, agreed with the proposal that we are discussing.

Mr. Swayne: Over the past two years, I have had extensive correspondence with Ministers on the disproportionate effect of tax on the protected horticulture sector. Appropriately and properly, I targeted the correspondence at the Minister of Agriculture, Fisheries and Food and the Secretary of State for the Environment, Transport and the Regions. It ended up being answered by the Financial Secretary.

Mr. Jack: My hon. Friend makes the point. I think that we are owed a candid description of what happened.

I read the "Financial Statement and Budget Report". Paragraph 6.25 on page 111 states:

> The Government recognises the case for giving special treatment to energy intensive sectors because of their high energy costs and their exposure to international competition.

If ever there was a travesty of the English language, those two sentences are it.

Only today I received a letter from the British Oxygen Company stating that the full effect of the levy on it will be £8.4 million in the first year. It says that it will receive only £500,000 from the rebating of national insurance contributions, so it is £500,000 down in the highly environmentally friendly activity of gas separation. Where are we at? Who are the gainers in achieving this degree of fiscal neutrality? I see that the Financial Secretary is looking rather bored in response to that remark. It is clear that he does not have a clue how to respond to my point.

The British Oxygen Company went on to say:

> We are deeply concerned about the effect on the international competitiveness of British companies as a result of these proposals.

I do not think that BOC is known as a whingeing company, but it is careful with its analysis.

There are other inconsistencies. I draw attention to a representation that I received from Calor Gas Ltd. Before doing so, however, I shall refer to paragraph 6.33 on page 112 of the "Financial Statement and Budget Report". The Government, in a moment of reckless generosity, said that they proposed to halve the rate of the levy applying to liquefied petroleum gas. If that was supposed to be earth-shattering encouragement to those involved with one of the most environmentally friendly fuels in the land, why is it that Calor Gas has written to me and other colleagues who are members of the Finance Bill Committee to point out that, despite that proposal, there is serious distortion that will encourage people away from LPG to other hydrocarbon fuels?

I shall not bore the Committee by going through all the arguments advanced by Calor Gas; perhaps that will be for another place at another time. However, it says:

> The Levy means LPG users paying an extra £5m/yr for the privilege of using

a highly environmentally beneficial fuel. It is a strange tax that takes out such a fuel.

My right hon. Friend the Member for Wells was kind enough to refer to some work that I undertook to illustrate that if the gas moratorium had been lifted there would be no need for the climate change levy. As a result of an analysis prepared for me by the Library and of answers to parliamentary questions, it was shown conclusively that a reduction of 13 per cent. in energy generation by coal and an increase of 14 per cent. in the production of electricity by gas-fired power stations would achieve the initial target of a reduction of 2 million tonnes of carbon dioxide. If that is the case and more gas-fired power stations come in over and above the number required to

[Mr. Jack]

remove the 2 million tonnes of CO_2, why have the Government not factored in that point and made substantial changes at this juncture to the climate change levy? They are in grave danger of double or treble counting the effect when my analysis suggests that there is no need for the levy.

8.45 pm

I refer the Financial Secretary to a further scheme that is based entirely on the Government's analysis. Again, it would do away with the necessity for the climate change levy in a wholly environmentally friendly way. It would boost the prospects of British agriculture and would be entirely environmentally friendly and CO_2 neutral. How, one may already ask, is that piece of magic to be achieved? The answer appears in a publication produced by the Department of Trade and Industry, which is entitled "Wood Fuel for Electricity and Heat". From it we learn that when we burn wood, CO_2 is released. However, if one then replants, that same CO_2 is locked up. In other words, there is a carbon-neutral cycle.

I tabled a parliamentary question to the Minister of State, Ministry of Agriculture, Fisheries and Food, to inquire how much short rotational coppice would have to be planted to take up the full 2 million tonnes of CO_2 that was the original target for the climate change levy. I received a letter in reply. I learned that 108,000 hectares would be required. That represents 0.58 per cent. of the cultivable land area in the United Kingdom. It so happens that the Treasury is funding the English rural development plan, and if we increase the hectarage from the current proposal in the plan by roughly a factor of four and spend about £120 million, we can subsidise farmers in the same way that the Government are already planning so as to produce the necessary 108,000 hectares of short rotational coppice.

I then turned to the Government's advisers to find out how much it would cost to have sufficient power stations to deal with the resulting electricity produced by that proposal. It would cost about £375 million—which is £1.5 million per megawatt of electricity produced—to burn the short rotational coppice. The Government's proposals assume that electricity producers will produce electricity from recyclable and renewable sources, so we can see that a model exists that would effectively make self-financing any additional marginal costs of the power produced in the way that I have described. The figure of 108,000 hectares, which has been confirmed by the Ministry of Agriculture, Fisheries and Food and borne out by the DTI's analysis, would be sufficient to do away with the climate change levy in a wholly environmentally friendly and beneficial way.

If I have managed to work that out, why has not the Treasury? If that scheme meant a marginal change in the cost of electricity to all users in the United Kingdom, everyone would feel that they were making their contribution to the reduction in carbon dioxide emissions. At that same time it would benefit farmers, be environmentally friendly and do away with all the complexity of the levy and the burden on manufacturing industry that it entails.

If that idea is ignored and is not investigated, that will suggest what I have thought for some time—namely, the Treasury could not give a fig about the DTI's work on renewables; all it wants is a nice little earner. I therefore urge the Financial Secretary to investigate the proposal that I have described. It is well thought out, well researched and backed by the Government's own analysis.

Finally, I support what my right hon. Friend the Member for Wells said about combined heat and power. He spoke about the situation of British Sugar, the reduction in its investment and its fears about the proposal.

I draw to the attention of the House a representation that I received from the Brunner Mond Company, which points out that although good-quality combined heat and power will somehow be exempt from the levy, in their wisdom the Government have not defined good-quality combined heat and power. A company could invest in beneficial technology only to find that, by a quirk of the rules, it is ruled ineligible for any benefits from the CCL. I shall certainly follow up the amendment proposals in Committee.

In summary, Opposition Members have advanced sufficient well-argued points to persuade the Government to think again about whether they want the clause to stand part of the Bill. Industry would be badly affected by it, and good alternatives exist. Given the availability of environmentally friendly ways of generating electricity—through combined heat and power—the Government's proposal fails.

Mr. Swinney: There is wide acceptance in the Committee of the importance of reducing greenhouse gas emissions, in line with agreements signed at the Kyoto summit. There is also a wide understanding of the importance of global climate change and a belief that every country should play its part in addressing the problem. However, there is considerable scepticism about whether the Government's policies of crude taxation on motorists or, in the case of the climate change levy, businesses, will satisfy those objectives. They seem to be crude measures for raising revenue, rather than sophisticated methods of tackling environmental problems.

The danger that I see arising from the Government's proposals is that competitiveness will be damaged, without the environmental objectives being achieved. I shall provide more details and examples of the specific impact of the Government's proposals on companies in the locality that I represent.

The levy has been a long time coming. It was first put out for consultation in March 1998. We must ask ourselves to what extent the Government have been listening to the results of the on-going consultation exercise. Undoubtedly, changes have been made to the original proposal since the pre-Budget report first touched on the subject, and some of the extremely harsh aspects of the levy have been watered down, but not sufficiently to meet the concerns that I shall raise tonight.

The Government claim that the levy will raise £1 billion, but that will be countered by the support given to energy efficiency measures by the recycling of revenues through a reduction of employers national insurance contributions, and through the system of first year capital allowances being allocated for energy-saving instruments. The Government have made it clear that the measure will be revenue neutral. The Financial Secretary confirmed that on the record tonight. The hon. Member

for Hazel Grove (Mr. Stunell) gave a curious explanation of how the measure will be neutral, and we look forward to a more detailed explanation.

Some of the Government's comments have been contradicted by fairly substantial advisers. The firm of accountants Deloitte & Touche, whose material on the subject I have seen, states:

> It cannot yet be known whether the amount raised from CCL and the amount to be handed back will be equal. Indeed it looks as though the amount to be raised will be considerably in excess, so it is not surprising that so many businesses are complaining that they will be net losers. In addition . . . there would be a redistribution between firms that was largely arbitrary, depending not only upon the amount and type of their energy consumption, but also on the structure of their wage bill.

That gets to the nub of some anxieties about the bluntness of the instrument that the Government propose to use.

I want to make several general points about the implications of the measure before citing some specific cases. First, let us consider competitiveness. The levy will significantly increase the energy bills of many companies and involve extra compliance costs for energy providers, thereby potentially placing them at a competitive disadvantage. Some substantial companies have been excluded from the exemptions from the climate change levy. They include glass, brick and paper manufacturers as well as the agriculture and whisky sectors. I shall say more about the latter sectors in a moment.

The measure could also undermine this country's competitiveness as a location for inward investors. The cost of energy is one of the calculations that is most closely scrutinised by inward investors when they decide on the appropriateness of individual countries as a location for their manufacturing bases.

My second general point is about red tape and bureaucracy. It is inevitable that the climate change levy will increase red tape and business costs. When the Government published their statement of intent on environmental taxation in 1997, one of the key criteria was that it

> must keep dead-weight compliance costs to a minimum.

The hon. Member for Hazel Grove referred to schedules 6 and 7, which require a monumental amount of interpretation by individual companies in order to understand the full impact on their operation. When we take even a casual glance at schedules 6 and 7, the climate change levy cannot be described as a simple instrument. That will have implications for business costs.

My third general point is about environmental consequences. The Government place great emphasis on the environmental nature of the provision, but a representative of the Energy Saving Trust recently said:

> Energy tax would have to be set at a politically unacceptable level in order to produce the required reduction in emissions

that the Government envisage. The Government claim some environmental benefit, but organisations that support that agenda say that the structure and the levels that the Government currently suggest will not provide the expected savings.

We should take note of the strength of opinion expressed in a report by the Select Committee on the Environment, Transport and Regional Affairs, which states:

> We do not believe that the Climate Change Levy meets the tests of good taxation. The system of exemptions, negotiated agreements and reduced rates has produced an extremely complex and cumbersome market instrument which will result in a relatively modest emissions reduction.

The report also suggests that small and medium-sized enterprises will experience deep problems because the way in which the scheme is devised means that it will concentrate on larger enterprises that can make pooling arrangements to negotiate deals. We ignore that Select Committee evidence at our peril.

I shall comment on the specific implications of the measure for groups of businesses that are important to Scotland as a whole and to my constituency. The right hon. Member for Fylde (Mr. Jack) spoke about the measure's impact on the horticulture sector. Many of those who work in agriculture, such as dairy farmers and those involved in cereal production or the pig and the poultry sector, are heavy energy users. However, the agriculture sector now has relatively few employees. The beneficial impact of the reduction in employers national insurance contributions is therefore minimised because there are not many employees to compensate and benefit. The National Farmers Union has suggested a direct link between the imposition of the levy, the agricultural sector's competitiveness and further hardship. The Government should take close account of that evidence. I have mentioned the small business sector and the fact that many of the exemption agreements will exist between the Government and large energy-intensive sectors. It is difficult to understand how small businesses can gain such access.

9 pm

The third general industry to which I shall refer is the Scotch whisky sector, which has vociferously lobbied Members of Parliament who represent Scottish constituencies about the implications of the levy. The industry has referred to its energy efficiency record and its support for achieving the Kyoto targets, making substantial points about the anomalies and distortions in the Government's proposals. It has said that although distilling operations are eligible for exemption, on-site bottling may qualify only if deemed to be "technically linked". However, the Government have not defined that term and we await further clarification. I hope that the Financial Secretary will explain, and tell us when the information will be provided.

Off-site packaging operations without links to a distillery, which are common in the Scotch whisky industry, especially in relation to huge blending or bottling sites, will be ineligible for exemption from the levy. The industry estimates that that will increase its costs by approximately £400,000 per annum. It is also concerned that the Government can give no guarantee that the European Commission will give state aid clearance to the exemptions that are being discussed. This important sector is still awaiting clarification of those issues, so I hope that the Financial Secretary will say something about them tonight.

I have mentioned a successful company in my constituency, and do so again. Don and Low has invested heavily in its operations in Forfar—a successful county town in Angus—and is about to open an entirely new plant that will bring all its production under one roof. It has specifically designed that plant to be energy-efficient. However, the company is in the textiles sector, which has not been included in the industries to be exempt from the levy.

[Mr. Swinney]

I quote a letter from the managing director of the wovens division of Don and Low. On 14 April, Mr. Stewart Baxter wrote to me to express the company's

deep concern about the Government's proposals for the climate change levy. We note that the textile industry has been excluded from the list of industries that will receive a rebate on this levy.

I enclose a report from our energy consultants which indicates that this levy will costs Don & Low an additional £197,390 per annum on our electricity.

As a company that prides itself on its energy conservation programme, we find this hard to swallow. We trade in very competitive markets mainly in Europe and are being significantly disadvantaged through the strength of the pound and the cost of transport to our key markets.

That is a triple whammy—the level of the pound, the cost of transport and the cost of the climate change levy—for one of the largest private sector organisations in my constituency.

The company's energy consultants have considered the details of the climate change levy, and I am sure that they will take another look at schedules 6 and 7 to determine whether they can elicit any further details. *[Interruption.]* The schedules may be impenetrable, but I am sure that that is what the consultants will try to do. Their advice is that that company will not be eligible for the energy-intensive user rebate because it does not occupy a site covered by the integrated pollution prevention and control directive, and is not a member of a negotiated agreement sector.

There is evidence that Don and Low will face difficulties as a result of the Government's proposals, and I urge Ministers to consider those details carefully. I have sent them to the Financial Secretary so that he may consider them, and the suggestion about making a full report. Such matters affect the competitiveness of some of the companies that will face the levy, and the Government ignore that evidence at their peril.

Mrs. Lawrence: I shall not speak for long, because I know that Opposition Members are anxious to make all their points and I do not want to hold them up. Having heard their comments so far, however, I conclude that they are based on one principle—an outdated principle with which the British public do not agree, and which evidence increasingly shows to be wholly wrong.

The Opposition's argument is based on the supposition that environmental protection measures cost jobs, but a company in my constituency proves the opposite by providing a wonderful example of the way in which, by adopting what could in business terms be described as "unnecessary" measures—in this instance, working for the benefit of the environment in a national park—it is possible for a company to gain a competitive advantage, and to secure its future in a highly competitive market.

When the Tories came to power in 1979, there were five oil refineries in Pembrokeshire. When they lost power in 1997, there were two. Part of the site occupied by the one in my constituency—Elf, a French refinery—is in a national park, and as a consequence the refinery has had to make extra investment. For example, I understand that storage tanks in most refineries are made of a shiny metal, because it is the cheapest material. Elf has had to employ painting techniques to make the tanks blend with the beautiful national park on the Pembrokeshire coast, and that has involved extra cost. It has also had to consult in detail on the placement of plant, chimneys and other items, and that too has meant additional expense.

Having made the extra investment, the company maintained its forward-looking approach, and took advantage of the Government's changes in tax on ultra-low-sulphur fuel. Its investment then secured its future, at least in the medium term. Only two years ago, that future was very much in the balance. Elf provides a good example of how—contrary to what the Opposition say—investment in the environment creates jobs rather than destroying them.

According to the 1998 Cambridge Econometrics document "Industrial Benefits from Environmental Tax Reform in the UK", it is estimated that the sectors that would experience either a reduction or no change in industrial unit costs as a result of a tax of the sort proposed by the Government currently account for 91 per cent. of employment in the UK. That includes manufacturing as well as service industries, and I think that, on both counts, it is a good illustration of what I said earlier—that environmental protection will preserve jobs, not destroy them.

Mr. Jack: Can the hon. Lady explain why an industry such as horticulture, which is carbon neutral and has a marvellous record for saving energy in order to survive and to maintain jobs, should now bear the extra tax?

Mrs. Lawrence: I thought that I had finished my speech when the right hon. Gentleman intervened, but now I shall add something. My point, although general, was nevertheless pertinent. The right hon. Gentleman has clearly had his own experience in his industry, but according to my experience the rules that the Government propose to protect the environment and work towards the Kyoto targets will increase productivity, and increase the ability of British industry to improve in the future.

Mr. Christopher Gill (Ludlow): I preface my remarks by saying that, as someone who is interested in forestry and who has more than a passing interest in trying to ensure that there is a future for the countryside and a possibility of diversification, I hope that the Committee has listened carefully to the remarks of my right hon. Friend the Member for Fylde (Mr. Jack). He spoke a lot of good sense. Both Treasury and Agriculture Ministers would be well advised to make a further study of what he said.

It was unfair of the hon. Member for Preseli Pembrokeshire (Mrs. Lawrence) to categorise Opposition Members as believing that environmental measures all cost jobs, when my right hon. Friend made such an excellent presentation illustrating how measures could be taken to improve the environment in a cost-free manner, to the benefit of the countryside and the rural economy. Nothing that we have heard in the debate so far has done anything to convince me that the climate change levy is not a thoroughly bad tax. I suppose that it is to the hon. Lady's great credit that she has been the only Labour Member to say something in its defence.

I regret that we have not had the benefit of hearing from the Minister, who might at the beginning of the debate have explained why he feels that it is such a

thoroughly good measure, so that we could address our remarks to his points and specifically deal with them, as well as make our own points.

My right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) rightly pointed out that the climate change levy is an unnecessary measure and that the tax's objectives could be achieved by other means. It will not have escaped any hon. Members who are taking part in the debate that the tax occupies no fewer than 85 pages of the Bill. It is enormously complicated. That in itself will impose burdens on industry of every description: it will have to study the measure and try to find a way through. My right hon. Friend spoke about the tax's perverse and arbitrary effects and stressed the damage to the manufacturing industry. The tax's consequences will be higher prices for the product of industry, leading to a loss of competitiveness and inevitably, sooner or later, job losses too.

At this point, it is perhaps worth pointing out that at the moment, British industry enjoys one great benefit, which I think we are all taking for granted: with sterling as strong as it is relative to other currencies, British manufacturing industry is able to import its raw materials at a relatively cheap price. In the normal course of events, that situation will not exist for ever more because currencies fluctuate—they go up and down. When our currency comes down, as inevitably it will do sooner or later—

Mr. Drew: Is the hon. Gentleman buying euros, then?

Mr. Gill: No, nor must we join the euro—*[Interruption.]* That would be catastrophic for the whole country.

When our currency does depreciate, industry will find that the cost of its raw materials from abroad will be higher and a lot of the competitive advantage that allows the Government to impose taxes with a degree of impunity will no longer exist. In those circumstances, industry will find that the extra taxes imposed through, for example, the climate change levy and other measures, added to the increased cost of raw materials, will make our businesses very uncompetitive.

As has already been mentioned in the debate, 40 per cent. of the energy used in manufacturing will not be eligible for rebate. I think that my right hon. Friend the Member for Wells was quite right to instance the very topical issue of the current situation—which we all know about—in the motor industry. My right hon. Friend the Member for Fylde also rightly highlighted the situation in horticulture.

9.15 pm

The hon. Member for North Tayside (Mr. Swinney) mentioned the situation in farming. He briefly mentioned the pig and poultry sectors, which will be very adversely affected by the integrated pollution prevention and control regulations charges. I must point out to Ministers the very real danger that the imposition of even greater overhead costs and burdens on those two agriculture industries will simply result in the export of those two industries. If that happens, the United Kingdom will be driven to import ever more pigmeat, egg and poultry products.

The hon. Member for North Tayside also correctly said that the cut in employers national insurance in the agriculture industry will be but a drop in the ocean compared with the charges that they will have to pay. The number of people employed in agriculture has been drastically reduced, especially in the past few years. Therefore, the scope for the industry to recover a reasonable sum by a cut in employers national insurance simply does not exist.

In my constituency there is relatively little manufacturing industry. However, I do have one big employer—a most substantial manufacturer which is involved in converting aluminium. Two weeks ago, on Second Reading, I drew attention to the fact that aluminium converters will not be eligible for rebate, although aluminium smelters will be eligible. In much the same way, the hon. Member for Barnsley, Central (Mr. Illsley) was able to explain how glass manufacturers would be eligible for the rebate, whereas glass benders would not.

In the past 48 hours another example has been brought to my notice. In metal forging, there is a process in which two types of equipment—a hammer or a press—can be used. Under the IPPC, sites using the hammer-based process will be eligible for a negotiated agreement, whereas those who use presses will not, although the latter process is more efficient and is used by 70 per cent. of the industry. Those are but three examples, but they demonstrate how nonsensical the situation will be in various industries.

Mr. Loughton: Does my hon. Friend think that those nonsensical inconsistencies have anything to do with the fact that one of the United Kingdom's largest aluminium smelting plants is next to the Chancellor of the Exchequer's constituency?

Mr. Gill: That is an interesting point. However, I think that aluminium smelters would be in the category of industry that I described a moment ago as currently benefiting from relatively cheap imported raw materials. That situation will change, and the climate change levy, on top of the overheads that that industry already bears, will be the straw that breaks the camel's back. I think that my hon. Friend would confirm that aluminium smelters in other countries—I think that Iceland leads the field—have many natural advantages that do not exist in the United Kingdom. The aluminium smelters, and therefore probably the converters as well, are already in a parlous situation without the imposition of this tax.

The Government make great play of consultation. Whenever they face a difficult problem, they put it out to consultation. Talking to people, finding out their views and giving them an opportunity to be involved in the decision-making process may seem entirely reasonable, but it is all too evident in the Bill and many other aspects of the Government's work that, although an enormous amount of time and energy is spent on consultations, they are virtually disregarded when it comes to settling the Budget.

There are three clear examples in the Budget of industries that have been ignored after a consultation process: the small brewing industry, the quarrying industry and the manufacturing industry, which is the subject of this debate. There was a lot of consultation, but the Government have done nothing to meet the representations from industry.

This is a thoroughly bad tax. The basis for the eligibility for rebate is deeply flawed. It will exclude 40 per cent. of the energy used by manufacturing and will

[Mr. Gill]

lead to distortions between and within industrial sectors. I have illustrated that for the industries to which I have referred. For individual firms operating in highly competitive international markets, such as the aluminium converter in my constituency, whose margins have already been tightly squeezed by the value of sterling, the tax will mean increased costs and thus pressure on competitiveness and jobs. I heard what the hon. Member for Preseli Pembrokeshire said about that, but I disagree with her. If any business has its overheads increased, they eventually become unsustainable and either the business folds or it reduces its costs. The first cost to be looked at is generally the labour cost and if reductions are made, it means job losses.

The Confederation of British Industry has pointed out that before the Budget, business made constructive proposals to the Treasury for modifications that would extend eligibility for the rebate, allowing more firms to help reduce emissions by signing up to legally binding agreements, delivering real energy efficiency improvements in return for the 80 per cent. rebate. So far all those proposals have been rejected with little explanation. Business is keen to bring forward revised proposals to address the concerns that the Government might have, but cannot do so without knowing fully the reasons for rejection. That is why it is regrettable that the Minister has not yet given us the Government's reasons for the tax. The CBI also believes strongly that the Government should give priority to explaining to sectors the detailed reasons why they have rejected business proposals for extending negotiating agreement eligibility. There is more that could be said on that subject, but others wish to speak.

I conclude by saying that our proposal is the most appropriate change that could be made in the circumstances. This is a bad tax, and the only sensible thing for the Government to do is to withdraw it.

Mr. Loughton: I am a member of the Select Committee on Environmental Audit, which produced a report on the energy tax and had the interesting experience of interviewing the Financial Secretary before the Budget. I found it odd that the Financial Secretary did not open this part of the debate with some words in support of the climate change levy. It was even more odd that so few Labour Members wanted to contribute to the debate, despite the fact that the proposal takes up more than 80 pages of the Bill.

The history of the energy tax has been one of complete fudge for the last 18 months, when it first appeared on the radar screens. One of the worst examples of the fudge and muddled thinking was given by my right hon. Friend the Member for Fylde (Mr. Jack) in respect of the horticulture industry. That industry—which absorbs carbon dioxide and emits oxygen, and is one of the biggest contributors to the Kyoto targets on its own—is severely threatened. The Government have had to climb down, but only partly, in the Budget to prevent the horticulture industry from moving lock, stock and barrel to Holland, in particular, where the industry is exempt from energy tax.

Another example concerns liquid petroleum gas, and we have all received memos from Calor Gas. Again, there was only a 50 per cent. climbdown by the Government on an environmentally friendly fuel. The Government have been entirely inconsistent with last year's Budget, in which they recognised the environmental benefits of LPG by reducing fuel duty for vehicle LPG by 29 per cent.—only to clobber LPG for non-vehicular uses with the energy tax this year.

The main point, which the Minister continues to duck, concerns competitiveness. A classic example is the effect of the tax on the British steel industry. We are at the stage where the majority of steel used in this country is imported from overseas, with a large quantity coming from countries such as Korea, South Africa and India, none of which is bound by the terms of the Kyoto protocol.

Does the Financial Secretary seriously think that, under such uncompetitive terms, British steel production will remain in Britain when it can move to anywhere in the world, including the three countries to which I have referred where there is no energy tax on steel production and the costs are much lower? Closer to home—and much worse—the industry could move to the continent; in Belgium and Luxembourg, for example, there is a 100 per cent. exemption for steel production.

In the Environmental Audit Committee, I pointed out that even after the full rebates on offer to the British steel industry, there will be a tax equivalent to £2.40 per tonne of steel produced in this country, which compares with 4p per tonne in Germany and an average for Europe as a whole of 40p per tonne. When I pointed out that that might just impact on the competitiveness of the British steel industry, the Financial Secretary said that he imagined that the industry was pleased with the much more favourable position in which it finds itself. That was woefully inadequate.

Some 72 per cent. of car components used in new cars in the UK are now imported from overseas—a major component being steel. That is an increase of more than 10 per cent. over the last three years. Despite all the good work done in reducing fuel consumption by the British steel industry over a number of years and despite signing a memorandum of understanding with the Department of the Environment, Transport and the Regions on energy savings in December 1999, the British steel industry will be caned heavily.

The Financial Secretary pretends that countries such as Korea, South Africa and India—which would benefit from the production of steel moving abroad—can exist in some sort of environmental dome; that the carbon dioxide emissions that they produce in a much less regulated system than that of this country can be contained within their own airspace. That is a complete nonsense, of course, and if the Government are serious about global environmental improvement, they need to take account of the competitive advantage they will give to less environmentally friendly countries on the other side of the planet.

9.30 pm

Mr. Timms: I am slightly concerned by the hon. Gentleman's line of argument. Does he believe that the UK should meet its Kyoto targets?

Mr. Loughton: I agree entirely that this country should meet its Kyoto targets, if not the extended target as well. Those targets could be met by a raft of other measures that have already been put in place, many by the previous

Government. It could have been met even faster if we had not had the moratorium on gas-fired power stations that the Government introduced two years ago for no other reason than pandering to the coal mining lobby, regardless of the environmental impact. They were trying to have their cake and eat it.

The other inconsistency in the Government's approach has been the use of the IPPC criteria for those companies that will be exempt. We are the only country in the EU which uses those criteria for determining who will be subject to an energy tax. It will be the non-polluting businesses which stand to suffer the most. I fail to see, despite the Minister's constant protestations, how the measure can be a sector-neutral tax. The same sectors will experience great divergences.

One sector that will not be exempt is glass, but a major part of the glass industry produces double glazing, which has a great environmental benefit. It will still be 100 per cent. liable for the energy tax. Some two thirds of the energy bill of a supermarket chain such as Sainsbury's goes on chiller cabinets for chilled and frozen foods. That cannot be reduced by new technology. The textile industry in the east midlands has lost half its work force in the past 10 years and Coats Viyella has just announced the closure of another factory with the loss of 200 jobs. That industry will not benefit from the exemptions to the tax.

BOC has already been mentioned, and it is one of the largest employers in my constituency. Some 78 per cent. of the cost of the industry is electricity, and it is one of the five largest users of electricity in the UK. It stands to lose £8.5 million through the energy tax charges, and will gain only £500,000 through the national insurance changes. What will happen to BOC a company in the throes of a takeover by a European and American consortium? As the company itself has pointed out, it will be able easily to remove production of those gases to alternative countries or to increase the prices to the consumer, both of which will have knock-on effects on British manufacturing industry, including the steel and chemical industries, supermarkets and retailers who use its products. That is despite the fact that BOC has voluntarily improved its energy efficiency by some 13 per cent. over the past five years.

So much of the detail of this new and harmful tax is still shrouded in secrecy. We have not seen the terms of the agreements. We have not seen how it can be sector neutral. We do not know how long the rebate will last after the initial few years. How will the second wave of companies to be exempt be decided? We have had no details of how the emissions permit trading system will operate. We have no further details—which were promised by the Minister when he appeared before the Environmental Audit Committee—on other possible criteria for exemption instead of the IPPC criteria. We also have no details about how the negotiated agreements will be monitored.

The entire tax has been a fudge, a mess and a muddle for the past 18 months. The Government still do not know what they are doing, and the details in the Finance Bill are a triumph of quantity over quality. A red herring of green taxation is being used as an excuse for another revenue-raising power, which will destroy the competitiveness of so much of British industry, for which the Budget has done little indeed.

Mr. Swayne: My hon. Friend the Member for Ludlow (Mr. Gill) spoke about how the effect of the tax might be masked for a while by the competitive exchange rate enjoyed by companies that import a disproportionate amount of the raw products that they need. However, that will not be true of the protected horticulture sector, which will be exposed to the full force of this disastrous tax from the outset.

I have raised the problems faced by the protected horticulture sector in questions, correspondence and debate for the past two years. Recently, my correspondence has focused on the industry's attempts to secure the 80 per cent. rebate that was to be available on detailed issues to do with the progress of negotiations, and on how agreements could be enforced technically.

After all that correspondence, and all the words written to me by the Financial Secretary, we now discover that the protected horticulture industry is not eligible for any rebate because it is not covered by the European Union's IPPC directive. When he winds up the debate, I hope that the Financial Secretary will explain how that confusion, which has caused so much fruitless correspondence, arose.

As it applies to the protected horticulture sector, this is a daft tax. As my hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) said, the horticulture sector consumes carbon dioxide, and is therefore an environmentally friendly industry. However, it is highly exposed to competitive pressure from the rest of Europe, and from Holland in particular.

The consequence of the industry's destruction would be that this country would have to import produce from elsewhere. Those imports, to a very great extent, would arrive by air and thus use aviation fuel—one of the worst forms of pollution, and one of the worst generators of greenhouse gases. That would be a ridiculous situation for this country.

The Government acknowledge that competition abroad provides a generous regime for energy taxes, and have therefore agreed a temporary 50 per cent. rebate for protected horticulture. I have never believed that a rebate of 50 per cent. would be enough—from the start, I have argued that the rebate should be of 100 per cent—but why is it to be temporary? Why is a sunset clause to be built into the proposal to ensure that, as an absolute maximum, the rebate will last for only five years? Is it because the Government recognise that no protected horticulture industry will exist in five years? Is that why they consider that the arrangement can be discarded then?

Mr. Tyrie: I shall be brief, as time is getting on. This proposed tax is extraordinary. I have seen nothing like it since the poll tax first appeared in the mid-1980s. *[Interruption.]* When I first saw the details of it, in 1985, the poll tax was called the residents' charge, and I fought a bitter—and, I am afraid, fruitless—battle against it. Some Labour Members laugh now, but they will wring their hands. I hope that they will do their best to fight this extraordinary levy when they start receiving complaints from manufacturing firms in their constituencies.

I am not even sure that this is a tax. A tax, according to any definition of taxation, needs a degree of certainty, but there is no certainty built into this. The levy will be negotiated individually with firms. There is no precedent for a measure with so much uncertainty built in. I even wonder—and perhaps this would better be made as a point of order—whether it would qualify as a money Bill. The House of Lords might like to consider that at a later stage, if it has not been completely neutered by further reform.

[Mr. Tyrie]

The main objections to the tax have already been raised. It will not target the people who produce the CO_2 emissions—if, indeed, the objective is to cut down CO_2 emissions. Gas generation should be encouraged and coal-fired generation of electricity discouraged. The levy will not achieve that. To believe that a tax can be devised that is not only neutral overall but neutral with respect to manufacturing stretches credulity. I cannot believe that that is achievable. Officials must have been working overtime to think of a way of squaring that circle so that the Minister could say what he said a moment ago.

For the tax to have the intended effect, there must be a massive restructuring of British industry. I do not believe that the Government have the stomach for that, but I believe that they have the stomach for tax increases. A measure cloaked in an environmental guise will turn into a revenue-raising measure that will have little, if anything, to do with Kyoto.

The heart of the case is built around some of the points made by my hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) and my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory). The medium-term effect of the tax must be that a significant proportion of British industry will go abroad to places not covered by the Kyoto agreement. Its net effect may be to increase global emissions of CO_2 overall. If the Government have not even estimated what the net reduction in global CO_2 emissions would be as a consequence—and I have seen nothing on the Government's capacity to fulfil the Kyoto agreement—they should withdraw the measure.

Mr. Drew: I am confused about how removing the climate change levy will convince countries that have not yet signed up to Kyoto to do so.

Mr. Tyrie: I find it ludicrous that we should embark on a massive restructuring of British industry, with a possible huge economic disbenefit to many people in Britain, merely in the hope that other countries will finally sign up to Kyoto. If we are to reduce CO_2 emissions globally, we must act globally. We must move forward with the main producers on board. The main producers of CO_2 emissions are not on board: the United States will drag its feet, and China has given no indication that it is prepared to implement the Kyoto agreement.

This is an extraordinary, ill-thought-out tax, and I sincerely hope that before it is too late, the Government will rethink the measure and get rid of the 83 pages of schedule 6.

Mr. Timms: There was some procedural confusion among Opposition Members at the outset of the debate. We have not been debating an amendment—this is a clause stand part debate, which I am responding to in the normal way.

In opening the debate, the right hon. Member for Wells (Mr. Heathcoat-Amory) made a series of wild and uncharacteristically ill-informed generalisations criticising the climate change levy. He made several inaccurate comments, and I look forward to putting them right in Committee.

9.45 pm

Having made some wild generalisations, the right hon. Gentleman fastened on a couple of specific complaints, but no amendments have been tabled on combined heat and power, the integrated pollution prevention and control basis for negotiated agreements or any of his points. That is why I found his speech confusing. The hon. Member for Hazel Grove (Mr. Stunell) rightly said that the right hon. Gentleman did not refer to the seriousness of the problem of climate change, and nor did he refer to the Kyoto objectives, which we have a statutory obligation to meet. By those omissions, he reflected the Tory party's dreadful record on the environment.

The hon. Gentleman was right to acknowledge those points and to support the principle of introducing the levy, which should be supported by everyone concerned about climate change and global warming. The levy is strongly supported by environmental organisations, and there has been a steady and encouraging stream of letters from constituents to Members of Parliament saying that the Government must stick to their guns on the climate change levy. That is what we shall do.

Mr. Tyrie: Will the Minister give way?

Mr. Timms: I will not give way at this stage.

Climate change is the single greatest environmental threat facing the world today. Globally, average temperatures are rising by about 0.15 deg C per decade, and 1998 was the warmest year on record. The intergovernmental panel on climate change predicts that if no action is taken to limit greenhouse gases, global average temperatures could rise by up to 3.5 deg C by the end of the next century. That would cause extreme changes in weather patterns, rising sea levels, damage to agriculture and population displacement with potentially catastrophic effects in some parts of the world.

Mr. Swayne: Will the Minister give way?

Mr. Timms: I should like first to make some progress.

At the Kyoto Summit in 1997, the developed countries agreed a legally binding commitment to reduce greenhouse gas emissions. The UK's contribution was set at a 12.5 per cent. reduction in emissions on 1990 levels. Following that agreement, in March 1998 my right hon. Friend the Chancellor asked Lord Marshall—then president of the Confederation of British Industry—to produce a report on economic instruments and the business use of energy. His report was published in November 1998 and said that there

> probably is a role for a tax if businesses of all sizes and from all sectors are to contribute to improved energy efficiency and help meet the UK's emissions targets.

In the light of that report and further consultations, the Chancellor announced in the March 1999 Budget that we would introduce a climate change levy on business use of energy, to take effect from April 2001. The levy forms a key part of our climate change programme and our drive towards environmental modernisation. It will make a significant contribution to meeting our legally binding Kyoto target and, moving beyond that, towards our domestic aim of a 20 per cent. reduction in CO_2 emissions. I was pleased to hear the hon. Member for East Worthing and Shoreham (Mr. Loughton) support that, even if I disagreed with much of the rest of his speech.

Revenues from the levy will be recycled to business through cuts in employer national insurance contributions and additional support to promote energy efficiency, including renewable sources of energy.

Mr. Tyrie: Would the Minister substantiate the point that he made early in his remarks that the recycling of the money—implying fiscal neutrality—would be achieved within the manufacturing sector? How can that be ensured?

Mr. Timms: It has been ensured. It was set out in the pre-Budget Report last November. I am surprised that more hon. Members were not aware of that. However, I shall address that point as several Members have referred to the matter.

We made it clear that the climate change levy will be charged on the industrial and commercial use of energy. It is aimed at maximum environmental effectiveness while safeguarding the competitiveness of UK firms. We also wanted to make it as simple as possible to administer and, thanks to extensive consultation, we have achieved that. The tax is well designed as a result both of the wide discussions that have taken place since the Chancellor's announcement a year ago and of the changes that we made subsequently.

For social policy reasons, the levy will not be charged on the domestic use of energy, because of our concern at the current high rate of fuel poverty. The existing rules used to establish which supplies of fuel and power are charged at the lower rate of 5 per cent. value added tax will be used to determine domestic consumption. As a consequence, the non-business use of energy by charities will also not be subject to the levy.

Mr. Swinney: Will the Minister clarify whether local authorities, as public sector bodies, will be liable to pay the climate change levy?

Mr. Timms: Yes, they will. They will also benefit substantially from the reduction in national insurance contributions. For that reason, the package is an attractive one for many local authorities.

Several hon. Members referred to combined heat and power. As I pointed out in an intervention, the exemption from the levy for combined heat and power will create a favourable environment for the development of such systems. I anticipate that many firms—to some of which I have spoken—will invest in CHP as a result.

I am aware of the case of British Sugar, which intends to defer decisions on a couple of CHP systems because it would prefer an even more favourable environment. However, it is right that the most favourable regime under the levy should be for renewable energy sources; renewable energy is much less well established in the UK and, critically, it produces zero emissions, whereas there are emissions from CHP.

However, the levy will provide a significant boost for good-quality CHP systems. We shall certainly see many new schemes of that sort as a result.

Mr. Stunell: Is the Minister assuring the Committee that the introduction of the levy in its current form will accelerate the achievement of the 10,000 MW target for CHP by 2010, or slow it down?

Mr. Timms: The levy will provide a significant additional boost for investment in CHP—I think that is the point that the hon. Gentleman was making. It is good news for CHP.

The hon. Gentleman also suggested that some funny money was involved in the package of support for energy efficiency measures. That is not true. The 100 per cent. capital allowances are certainly not funny money; they will cost the Exchequer £100 million in year one and rather more in year two. Of course, the real incentive for extra investment and for extra effort to save energy is provided by the levy itself. It will increase the incentives for people to reduce energy usage. I can assure him that there is a genuine and substantial Exchequer cost in the capital allowance part of the energy efficiency fund as well as in the £50 million to which he also referred.

Mr. Loughton: The Minister told the Select Committee on Environmental Audit that the £100 million was purely capital allowances that are now available in year one rather than later, so the actual amount of tax that companies will pay is no less—the matter relates only to the timing of the payment of the tax.

Mr. Timms: I made the point that in year one there is a £100 million cost to the Exchequer as a result of that package of allowances. Of course, as the hon. Gentleman will know, capital allowances are extremely popular among firms and undoubtedly have a significant effect in encouraging investment of that kind.

Mr. Stunell *rose—*

Mr. Timms: I will not give way for a moment. I want to make some more headway.

The right hon. Member for Fylde (Mr. Jack), in his customarily well-informed, engaging way, made a point about the strict consents policy that I have heard him make a couple of times now. The lifting of the strict consents policy has already been announced. It was only ever intended to be a temporary policy—that was always made absolutely clear—and the three years of its application will not have a measurable impact on emissions by 2010. Therefore I hope that we can dispose of that argument, ingenious although it is.

The right hon. Gentleman made the slightly idiosyncratic suggestion that we should put all our eggs in one basket, the basket in question being short-rotation coppicing. I believe that there is a role for short-rotation coppicing. I have visited the first power station to make use of such coppicing; it is being developed by Kelda in the constituency of my hon. Friend the Member for Selby (Mr. Grogan). I do not know whether the right hon. Gentleman has been there; I recommend him to go if he has not been. It is an interesting visit. There are some issues surrounding the cost of producing energy in that way, but I believe that there is a role for it, alongside other renewable power generation methods. The levy will help; that perfectly illustrates its importance. The levy is precisely the type of measure that is needed to stimulate new and renewable energy generation methods, because they are completely exempted from the levy whereas conventional methods are not. That will provide an incentive effect.

However, the right hon. Gentleman seemed to suggest that there was some easy, obvious, painless solution, which no one would ever notice, to address the problem of emissions in the United Kingdom. There is not. That is illusory, and I do not think that that view should be expressed.

[Mr. Timms]

My hon. Friend the Member for Preseli Pembrokeshire (Mrs. Lawrence) made some important points about the commercial opportunities for the UK in the development of these new techniques, and in environmental modernisation. She is absolutely right about that.

The right hon. Member for Fylde asked me about the Treasury's work with other Government Departments. Unlike the Government he was a member of, ours is a joined-up Government, and that is certainly the case in this area, as in every other.

Several hon. Members asked me to go into more detail—in fact, the hon. Member for Chichester (Mr. Tyrie) just asked me to do so—about revenue neutrality. All the proceeds of the levy will be recycled to business, but beyond that, the levy will indeed be broadly neutral between the manufacturing and services sectors. That means that the impact of the combination of payments under the levy, the reduction in employer's national insurance contributions and the additional support for energy-saving measures in the £150 million fund on the manufacturing sector or on the services sector will broadly balance each other out. That was spelt out in the pre-Budget report in November. Very many firms will be net beneficiaries from the package. I was pleased that the right hon. Member for Wells said that he was a director of two of them.

Of course, the effect of a levy such as this, which is revenue neutral overall but shifts the burden on an unchanged overall sum in tax from employment to energy use, will be a further boost for employment in the UK. That is another reason why the levy is such good news.

Finally, I want to respond to the points that the hon. Member for New Forest, West (Mr. Swayne) and others made on horticulture. The Bill would provide the horticulture sector with a uniquely favourable arrangement. Opposition Members should have welcomed that. It is a significant change on what was said in November. I did not notice much of a welcome. It is a very favourable step from the viewpoint of the horticulture sector. There will be a ring-fenced fund, within the wide range of the efficiency package, to help energy-efficient investments in horticulture. Thermal screens will be eligible for help from the fund. Finally, the levy will be set at the 50 per cent. rate for up to five years.

10 pm

By the time the levy comes into effect next year, it will have been two years since it was announced, and longer still since Lord Marshall's report. That long period of preparation was adopted to ensure that we could get the details right and to enable everybody involved to prepare adequately for the change. That has been achieved. It has been an impressive exercise, and I thank everyone who took part. I know that some would have liked more change, and I do not blame anyone for continuing to lobby for lower tax bills, which is everyone's prerogative. The great majority of the concerns that were expressed have now been wholly addressed and substantial changes have been made in response to the consultation. I commend this important clause to the Committee.

Mr. Flight: We do not object to the Kyoto targets or our obligations, but as my hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) has pointed out, the clause has a history of fudge, muddle and pork-barrel politics. This is a crackpot proposal. Its impact will be unfair and arbitrary. The IPPC guidelines are not suitable, and the Kyoto objectives can be achieved by other means such as increased use of gas power and coppicing. It is nonsense not to exempt all combined heat and power processes, as almost all have to sell electricity to the grid and buy it back. As the hon. Member for Hazel Grove (Mr. Stunell) pointed out, the subject of the levy is wrong, and it should be targeted upstream on CO_2 emissions.

Conservative Members do not believe that the levy will be tax neutral. As hon. Members have pointed out, it is inevitable that it will become a nice little earner.

BOC has been cited as an example of a sound, environmentally friendly British company that will suffer, and indeed it will. Its bill, net of its rebate, will be just under £8 million. It spends £60 million per annum, or 78 per cent. of its production costs, on electricity. Its air separation process is environmentally friendly, and it has spent a considerable amount on environmentally friendly investment in this country. It will be placed at a major competitive disadvantage to businesses in the Netherlands and Germany, where industrial gases companies are exempt from such taxes.

The clause will cause enormous damage to British manufacturing, including the steel industry. We are grateful for the sop that has been thrown to horticulture, but I assure the Minister that present exchange rates mean that the substantial horticulture industry in my part of the world believes that it will not exist in a year and a half if the clause is passed.

In the motor car industry, the Government are giving to Rover with one hand, and imposing a £1 million tax with the other. As the hon. Member for Preseli Pembrokeshire (Mrs. Lawrence) pointed out, environmental change produces jobs, but they will be nothing compared with the jobs that will be lost in British industry and engineering and in the heartland of Labour constituencies. The clause is absolutely typical of elitist, politically correct new Labour. The Minister calls it good news. He should tell that to British industry. This will be a disaster for British industry.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 309, Noes 122.

Division No. 175] **[10.4 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Ballard, Jackie
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Burstow, Paul
Butler, Mrs Christine

Campbell, Rt Hon Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Edwards, Huw
Ennis, Jeff
Etherington, Bill
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foulkes, George
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr Kim
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Kirkwood, Archy
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Lloyd, Tony *(Manchester C)*
McAvoy, Thomas
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rapson, Syd
Raynsford, Nick
Rendel, David
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Tyler, Paul
Tynan, Bill
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
Webb, Steve
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Wilson, Brian
Winnick, David
Wood, Mike
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:-
Mr. Jim Dowd and
Mr. Mike Hall.

NOES

Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Bell, Martin *(Tatton)*
Bercow, John
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Cash, William

Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Collins, Tim
Cormack, Sir Patrick
Cran, James
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence
Ross, William *(E Londy)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Steen, Anthony
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Waterson, Nigel
Whittingdale, John
Wigley, Rt Hon Dafydd
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Geoffrey Clifton-Brown and
Mr. Peter Atkinson.

Question accordingly agreed to.

Clause 30 ordered to stand part of the Bill.

To report progress and ask leave to sit again.—*[Mrs. McGuire.]*

Committee report progress; to sit again tomorrow.

WELSH GRAND COMMITTEE

Motion made, and Question put forthwith, pursuant to Standing Order No. 108 (Welsh Grand Committee (sittings)),

That the Welsh Grand Committee shall meet on Tuesday 16th May at half past Ten o'clock and between Four o'clock and Six o'clock at Westminster to take questions under Standing Order No. 103, (Welsh Grand Committee (questions for oral answer)), and to consider the Welsh Economy, under Standing Order No. 107 (Welsh Grand Committee (matters relating exclusively to Wales))—*[Mrs. McGuire.]*

Question agreed to.

ADJOURNMENT (WHITSUN)

Motion made, and Question put forthwith, pursuant to Standing Order No. 25 (Periodic adjournments),

That this House, at its rising on Thursday 25th May, do adjourn till Monday 5th June 2000.—*[Mrs. McGuire.]*

Question agreed to.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker (Mr. Michael J. Martin): For the convenience of the House, I shall put together the motions relating to the Business of the House.

Ordered,

That, at the sitting on Thursday 25th May, the Speaker shall not adjourn the House until she shall have notified the Royal Assent to Acts agreed upon by both Houses.

That on Thursday 25th May there shall be no sitting in Westminster Hall.—*[Mrs. McGuire.]*

DELEGATED LEGISLATION

Mr. Deputy Speaker: With permission, I shall put together the motions relating to delegated legislation.

Ordered,

National Health Service

That the National Health Service (Pension Scheme and Compensation for Premature Retirement) (Amendment) Regulations 2000 be referred to a Standing Committee on Delegated Legislation.

County Court Fees

That the County Court Fees (Amendment No. 2) Order 2000 be referred to a Standing Committee on Delegated Legislation.—*[Mrs. McGuire.]*

Welsh Economy (Cardiff Airport)

Motion made, and Question proposed, That this House do now adjourn.—*[Mrs. McGuire.]*

10.18 pm

Mr. John Smith (Vale of Glamorgan): I am grateful for the opportunity to address the House in the Adjournment debate, as it allows me to raise an important issue—the crucial role that Cardiff international airport in my constituency plays in the development of the Welsh economy. I am delighted to see that so many hon. Members have found time to stay behind and listen to the debate at such a late hour.

I welcome the opportunity because of the timing. It is my belief, and the view of the overwhelming majority of the business community throughout Wales—not just in my constituency and not just in south Wales—that the future development of our only international airport is vital to the future economic success of our country.

However, a number of decisions taken recently cause me concern. One is the decision to shelve the construction of phase 1 of the airport link road, which was taken by the National Assembly for Wales a couple of months ago, on good grounds. I understand the reasons why the decision was made. The road was considered to be extremely expensive but, sadly, there are no obvious alternatives to the provision of that road.

I also believe that the timing of the debate is important and helpful because of the European Commission's recent rejection of the Government's concerted efforts to get Wales's only international airport on the assisted areas map for Wales. They were unfortunately rejected because of the European Commission's guidelines and rules.

I fear that the enthusiasm for the growth and development of Wales's only international airport, its key role in the Welsh economy and, more important, ensuring the right infrastructure to serve it and thus facilitate growth, is waning. I hope that I am wrong. The most important reason for the debate is to get that airport, and road access to it, firmly back on the political agenda, especially in the light of recent decisions.

My main reason for choosing Cardiff international airport as the subject of the debate is not the benefits that a positive decision would bring to my constituency, although it would benefit considerably; my prime motive is the benefits that the airport could bring to the whole of Wales. Together with objective 1 funding, such a decision would help us to bring Wales back on a par with the United Kingdom for wealth creation per head of population. In 20 years of Tory Government, gross domestic product per head sadly declined to 83.1 per cent. of the United Kingdom average. The gap continues to widen. All our energies must now focus on closing it.

The airport is important because I am not convinced that we can achieve our objective even with objective 1 funding, which is vital for the valleys and mid and west Wales, unless we get our act together on the airport. There are several reasons for that. No region in the European Union has succeeded in regenerating its economy—even with European structural funds—without a first-class, viable international airport, which provides regular, scheduled business flights. Stuttgart airport in Baden-Württemberg is a major facilitator for business in that region. Barcelona airport plays a crucial role in the success of Catalonia. It received a heavy injection of funding because of the Olympic games.

Let us look a little closer to home and consider the fastest-growing economy in Europe, which is that of the Irish Republic. It has a population of between 3.7 million and 4 million; it has three major international airports, which cater for 16 million passengers a year. In Wales, our population is roughly three quarters that of the Irish Republic—between 2.7 million and 2.9 million—yet our international airport handles only 1.3 million passengers a year. We will not be taken seriously as a region if we do not develop a first-class regional airport which provides international flights, especially for our business community.

My view, which, I believe, is shared by business throughout Wales—if not by decision makers of all political persuasions—is that air travel is the most important mode of business transport. It is at the cutting edge of business communications. If sophisticated air travel is not available to the business community, the right investment decisions will not be made in the interests of Wales.

Key decisions, especially on overseeing major projects or the expansion of existing investment, may not be taken simply because those at the top of business organisations cannot fly to the region to observe projects and the investment location. A lot of people outside the business community do not understand that such a facility is crucial to business decision making. Nor do they realise—because of the advent of the internet, the telephone, video conferencing and all the rest of it—the importance of interpersonal contact and of decision makers being able to visit a site before recommending whether an investment should be made. Wales lost out on investment because it did not have such a facility.

Time is money in business and the business community has told me that, if people cannot get to a location to assess the value of an investment, the chances are that the key decision makers will go elsewhere. Wales cannot allow that barrier to remain if we are to succeed over the next six or seven years in our endeavour to regenerate the Welsh economy. The role of business will be crucial and, in the foreseeable future and over the period in which European structural funds will come to Wales, air travel will become more important to business communication in a global economy.

All the expectations are for large-scale growth in European air travel in general and exceptional growth in business travel across Europe. Air travel is the cutting edge of business communication in the United States, which is the most developed single market in the world. Walk on/walk off intra-continental business flights, which are increasingly becoming a feature of successful business, are available throughout the United States and, increasingly, in Canada and Mexico, which are part of the North American Free Trade Area.

As the European Union continues to develop as a single market—Wales has a closer trading relationship and depends more on trade with Europe than does any other part of the United Kingdom—what will become domestic flights within the single market will grow in importance. Therefore, it is vital that we get the airport's development right. However, let me make it clear to the House that Cardiff international airport is one of the most modern

[Mr. John Smith]

in the country and, although it handles only 1.3 million passengers a year, it has the capacity for more than 4 million.

Those who have the privilege of visiting the airport will discover that it has a fast-track terminal facility, modern baggage-handling facilities, walk-on gangways that go straight to the aircraft, modern shops and restaurants—it is first class. I should not mention other areas, but I will on this occasion: Bristol does not get a look-in. It also has one of the most advanced air traffic control systems in the United Kingdom. Although it handles civilian aircraft—mainly charter planes, a limited number of scheduled flights and an even more limited number of business flights—it also deals with the considerable number of military aircraft at RAF St. Athan and en route transatlantic flights over Wales.

A sophisticated modern facility could provide huge benefits for the area. There is a 100 acre business development site adjacent to Cardiff airport and, in a three mile radius, there is a 200 acre development site at the port of Barry, which my hon. Friend the Minister visited only recently. He recognised the huge potential for growth there. A 240 acre site at Rhoose point is also in striking distance. In short, Cardiff international airport's development potential is greater than that which existed at Shannon, which is one of the best examples of using an airport to drive forward investment and an enterprise zone, on the west coast of Ireland. We have seen how successful the Irish have been. Ireland is now the largest software exporter in the world apart from the United States, and part of that is due to the development and enhancement of its business communications.

What, then, is the problem with the development of Cardiff airport? It is a very simple problem: how on earth are we to get between 3 million and 4 million extra passengers—for that is the number that we need if we are to have a successful airport—along the road that services it? First, they will have to negotiate the nightmare of the Culverhouse Cross junction, which is gridlocked between 8 am and 10 am and between 4 pm and 6 pm every day. That puts a stranglehold not only on the development of the airport, but on the western part of the capital city: commuter traffic is now so snarled up that it has become a local joke.

A single carriageway, the A4050, is interspersed with roundabouts throughout its length. It can only be described as the sort of road that one might expect to see when approaching an international airport in a third-world country: that is how small it is, given the job that it is expected to do. Those 3 million or 4 million extra passengers will be competing with industrial traffic going to Barry docks, and with holiday traffic going to Barry island and the beautiful Vale of Glamorgan; they will also be competing with the commuter traffic that becomes snarled up daily at Culverhouse Cross.

The Civil Aviation Authority tells us that the catchment area for the airport has the potential to contain 5 million air passengers. I have already said that the airport handles 1.3 million, and could handle more than 4 million. We are talking about achievable targets, but to ensure that they are met we must provide appropriate access.

I am confident that, in the next two years, the Vale of Glamorgan railway line will be reopened as a result of the Government's excellent work. That will provide a station within half or three quarters of a mile of the airport, which is welcome but should be seen in perspective: the station will cater for, at the best estimate, only 5 or 6 per cent. of airport traffic, or passenger access. The road is crucial; it is vital to the future development of Wales.

It would be a tragedy if we did not do all that is humanly possible to ensure that Wales can exploit its additional funds to use this unique opportunity to rebuild its economy and return it to what it was some 20 or 25 years ago, when people were highly skilled and highly paid and Wales had a high percentage of the UK's average gross domestic product per capita. Twenty years of Tory rule saw us become a low-wage, low-skill economy with 83.1 per cent. of GDP. We must put that right—that is the challenge that we all face—and I think that we can put it right.

Wales has enormous potential for economic development. The M4 corridor in the south is probably the most attractive investment location in the European Union. It is highly competitive, it has direct access to the core consumer markets in Europe for products and services, and it provides a high quality of life. The A55 corridor provides a splendid environment for commercial and service sector industries, and also provides access to a good airport: I will not name it, but we all know which it is. However, the same does not apply to the other three quarters of Wales and Welsh business.

In central Wales and the valleys, we have enormous potential in terms of human capital. We have an enterprise culture. We have talents and skills. We can use objective 1 money to invest in and to exploit those, and to ensure that we get all the benefits out of the strategic advantages that Wales has, but the development of the airport is crucial. There is a direct correlation between the growth of the airport, the growth of business travel in Wales and the success of the economy, so I call on my hon. Friend the Minister to bear that in mind and to do whatever he can.

I realise that the issue affects every level of government—not just the House, the National Assembly for Wales or the local authority, which has a big responsibility in the matter—but we must as a matter of urgency find an alternative access to that airport. If one has been rejected on cost grounds, and it was a bit of a belt-and-braces project, we must find an alternative and we must find it together quickly. We must have an open mind on the matter. We must consider joint ventures, partnerships with the private sector or whatever. As a nation, we must find a mechanism for providing that vital link to the airport, which will provide a vital engine of growth for the Welsh economy. I am sure that we can do that and I look forward to my hon. Friend remarks with anticipation.

10.36 pm

The Parliamentary Under-Secretary of State for Wales (Mr. David Hanson): I thank my hon. Friend the Member for Vale of Glamorgan (Mr. Smith) for the excellent way in which he has championed Cardiff airport. He enthusiastically set out a strong case for the success of the airport, showing in great detail the way in which the Government, the National Assembly, the local authority and all the agencies that are concerned about the future of the airport and, indeed, the future economic prosperity of the Vale of Glamorgan, Cardiff and south Wales generally, can benefit from the airport's success.

I am particularly pleased to see such a good turnout for an Adjournment debate. I pay tribute to my hon. Friends the Members for Clwyd, West (Mr. Thomas), for Preseli Pembrokeshire (Mrs. Lawrence), for Cardiff, North (Ms Morgan) and, indeed, for Islwyn (Mr. Touhig) for attending the debate. I am also pleased to see the right hon. Member for Caernarfon (Mr. Wigley) and the hon. Member for Brecon and Radnorshire (Mr. Livsey) showing cross-party support. We briefly had a representative of the other main party in the House with us, but we certainly have all parties representing Wales in the Chamber. It is particularly important that we have such an interesting and lively turnout of Members to help with the debate.

I am particularly grateful to my hon. Friend the Member for Vale of Glamorgan for drawing the House's attention to the importance of Cardiff international airport. As he has said, it is a valuable asset which adds greatly to the economic attractions of south Wales. He emphasised business, the links with business and maximising the opportunities of, for example, objective 1 status, which are important issues.

There is no doubt that, with modern terminal buildings and the aircraft facilities that it has, Cardiff is one of the fastest growing regional airports in Britain. We should celebrate that fact. The airport already has scheduled services to Aberdeen, Amsterdam, Belfast, Brussels, Dublin, Edinburgh, Glasgow, Guernsey, Jersey, the Isle of Man and Paris, highlighting and illustrating the great European context of Cardiff airport, which my hon. Friend mentioned.

The success is shown by the fact that the owner of Cardiff airport, TBI, was recently able to announce that 1999 had been a record year for the airport, with more than 1.3 million passengers using it, representing an increase of more than 6 per cent. on the previous 12 months. The new departure lounges and the arrivals hall mean that it now has the capacity to handle up to 2.5 million passengers per year. I was pleased to hear my hon. Friend mention a higher figure of, potentially, up to 4 million. I am sure that TBI is looking for further year-on-year growth.

Cardiff airport houses one of the most modern aircraft maintenance facilities in Europe, providing more than 700 good-quality jobs, together with related training opportunities. However, I recognise that the airport has untapped potential, as my hon. Friend has said; he has emphasised that. It is fair to say that far too many people from within its catchment area have to travel further afield to find the air services that they require. Additionally, there is a considerable way to go in encouraging the growth of air travel between north and south Wales. I recognise that fact particularly as an hon. Member representing a north Wales constituency but speaking about an airport in Cardiff.

As my hon. Friend will be aware, the Welsh regional air services study was commissioned in July 1998 by the then Welsh Office and the Department of the Environment, Transport and the Regions. Work will shortly be completed on the study, and I hope that the report will provide us with a clearer view on the role of airports in the Welsh economy.

The study has not yet been published, but it was done on the basis of a remit from the former Welsh Office and DETR to examine the very point that my hon. Friend dealt with in his speech—the links between air services and economic growth—and to explore the scope for developing new services and airport facilities, including the potential for north-south Wales links. Both the Government and the Assembly will now have to examine the conclusions—which we shall do shortly—that the consultants have reached. We hope to be able to develop future policy on airports and air travel on the basis of the report. Cardiff, as the major airport in Wales, will clearly figure highly in our considerations.

One of the key points that my hon. Friend made in his speech was on access to the airport. The Government have made it clear that the development of sustainable integrated transport facilities is one of our major policy objectives. Examining the relationships between air and surface travel must form a key part of achieving that objective.

As my hon. Friend said, the main access roads to the airport are the responsibility of various bodies, but principally of Vale of Glamorgan council. As my right hon. Friend the Secretary of State for Wales has previously told the House in reply to questions from my hon. Friend, the council has already allocated significant sums for design and preparation work for phase 1, between Culverhouse Cross and the Barry dock link road. However, I understand that, in the short to medium term, the scheme has been identified as too expensive to accommodate in the transport grant programme.

Although I recognise the potential benefit to the airport of undertaking the project, the assessment of relative priorities is wholly a matter for the National Assembly for Wales to make, in consultation with local authorities and other interested parties. In considering the matter further, they will be able to take account of the outcome of the new study which I mentioned into the congestion problems at Culverhouse Cross. On 9 February, Peter Law, the Assembly Secretary, announced that the Assembly would commission that joint study—with Cardiff council and Vale of Glamorgan council—on the congestion problems at Culverhouse Cross.

I understand that the owners of the airport—for reasons mentioned by my hon. Friend—also are anxious to improve access and have a proposed solution of their own. If they wish to proceed with the matter as a joint venture, they will need to develop a detailed business case for further consideration by the Assembly and the council. I therefore hope that, given the difficulties of which my hon. Friend is aware, there is the possibility of further developments on another access road.

There are other possibilities for improving access. As my hon. Friend mentioned, reopening the Vale of Glamorgan railway line to passenger traffic could provide an additional access route to the airport—using a shuttle bus service between a new station, at Rhoose, and the airport terminal. Both Vale of Glamorgan council and Bridgend council are currently supporting design work on such a proposal as part of their development of a wider integrated transport proposal.

I can certainly see the potential advantages that such a scheme would offer. However, in the first instance—I hope that my hon. Friend will accept this in the spirit in which it is said—it will be for the two councils to judge the priority that they accord to the scheme when submitting to the National Assembly their bids for a transport grant. I hope that positive action on that matter will be considered to help improve access to the airport.

[Mr. David Hanson]

My hon. Friend mentioned the matter of assisted area status in Vale of Glamorgan. I realise that there are certainly concerns about the omission of Barry and certain other areas from the new assisted areas map. However, I should like to pay tribute to his efforts on behalf of Barry and the whole of his constituency to try to secure assisted area status for the areas adjacent to the airport.

I assure my hon. Friend that my right hon. Friends the Secretaries of State for Wales and for Trade and Industry are conscious of the points that he has made this evening and on other occasions about the importance of the local economy. It has been very difficult to include the areas that he wants in the assisted areas map because, as he knows, the European Commission requirements meant that we had to reduce the map considerably. Those requirements take account of a range of factors, including population and employment statistics. We have to take objective and rational decisions on where to draw the boundaries. My right hon. Friends have been keen to secure the best possible deal for Wales.

Barry and the airport are currently excluded. Today is the closing date for consultation on the proposed map. I take the points that my hon. Friend has made as further representations. Any proposals for amendments will be examined thoroughly by my right hon. Friends before the map is finalised. For complex technical reasons, we have not yet found a way to include Barry and the airport in the map on the criteria set down by the Commission.

My hon. Friend has made valuable points about the need to maximise objective 1 and employment opportunities for the airport. Employment and the economy of Barry are linked directly to the success of the airport in many ways. I do not underestimate the advantages that assisted area status and development at the airport can bring to Barry. Next week my right hon. Friend the Secretary of State will have the pleasure of opening the major extension to the Dow Corning factory in Barry, which provides 200 new jobs for the area and demonstrates the continued commitment of major international employers to the vale of Glamorgan. The redevelopment of the old town hall site will begin shortly, greatly enhancing the appearance of central Barry, as well as providing new shops and other commercial outlets, while industrial units in the area continue to enjoy high occupancy rates.

As my hon. Friend will be aware, the new waterfront residential development also promises significant benefits. I was pleased to take up his offer of an invitation to visit recently, when I saw at first hand the success of the waterfront area and the potential that it has for Barry and south Wales as a whole, when linked to the success of the airport. With or without assisted area status, it is important to build on those assets in promoting the attractions of the vale of Glamorgan and the Cardiff area for economic development. I have no doubt that encouraging greater use of Cardiff international airport can play a major role in achieving that. I pay tribute to the representations that my hon. Friend has made—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at twelve minutes to Eleven o'clock.

House of Commons

Wednesday 3 May 2000

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

CITY OF LONDON (WARD ELECTIONS) BILL *(BY ORDER)*

Order for further consideration, as amended, read.

To be further considered on Wednesday 10 May.

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Kosovo

1. **Dr. Norman A. Godman** (Greenock and Inverclyde): When she last discussed with her colleagues from other member states of the European Union matters relating to the funding of training programmes designed to equip individuals and political parties in Kosovo to create local administrations and prepare for self-government for the province. [119351]

The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes): The support that we are providing to Kosovo is principally directed at the development of capacity to enable Kosovars to run their own administration. We are providing support for the establishment of Radio Television Kosovo as an impartial public broadcasting service, for civic and voter education and for the training of election officials. The European Union has committed 360 million euros this year, focused on energy, water supply, housing and transport. The United Kingdom's share is 61.2 million euros, which is the equivalent of £35.5 million at today's exchange rates.

Dr. Godman: I compliment my hon. Friend and his officials on the work that they are carrying out in Kosovo. However, there are conflicting views there on whether a Kosovo-wide election for an assembly should come before local elections. It would make good sense to hold local elections in the near future. Funding will be necessary, but at the heart of the setting up of such elections must be a guarantee of protection for minority groups throughout the province.

Mr. Foulkes: I understand that there may be different views about the timing of elections. We are prepared to provide support for the administration of the election and I am pleased to tell my hon. Friend that the Westminster Foundation has also provided support to the political parties in Kosovo. We hope that there will be free and fair elections at all levels.

Madam Speaker: I call Mr. Pa—?

Mr. Michael Fabricant (Lichfield): Fabricant. Ominous! That was very off-putting.

Will the Minister join me in praising the work of the British Council in Kosovo and, indeed, elsewhere? Is he aware that although extra Government funds were made available to the British Council for education and training, those expired in March 2000? So far, no extra moneys have been allocated. Will the hon. Gentleman have an urgent meeting with the Foreign and Commonwealth Office and the Treasury to ensure that moneys are made available so that the British Council can carry on with its excellent work?

Mr. Foulkes: I understand why the hon. Gentleman was disconcerted. Perhaps Madam Speaker does not regularly read *The Guardian* sketch.

Mr. Fabricant: The writer is not in the Press Gallery.

Mr. Foulkes: That means that I will not be in it, oh dear.

We value the work that the British Council is undertaking here and elsewhere. The central core funding of the council is provided by the Foreign and Commonwealth Office and it is open for the council to compete with other organisations for the sort of work that we provide. It has been successful in a number of those bids. I would be happy to talk to Baroness Scotland about the role of the British Council in Kosovo, as the hon. Gentleman requests.

Sri Lanka

2. **Mr. Simon Hughes** (Southwark, North and Bermondsey): What are her Department's priorities in Sri Lanka for the financial year 2000–01. [119352]

The Secretary of State for International Development (Clare Short): Finding a lasting solution to the long-running conflict is the major priority in reducing poverty in Sri Lanka. Our country strategy was published in September 1999. I will be happy to send the hon. Gentleman a copy. It commits us to a small programme focused on improving the quality of education, particularly at primary level, which is deteriorating I am afraid; improving the livelihood security of the very poor in conflict areas; and working for inter-communal reconciliation.

Mr. Hughes: I am grateful for that answer. The Secretary of State will know that civil war is rapidly escalating, causing injury and death in Sri Lanka. In the light of that, will she consider providing further cross-Government, co-ordinated help with medicines, gaining access to people in war-torn areas and protecting civilians, many of whom are now trapped? Is there any possibility of an initiative by the British Government, together with others in the Commonwealth, to reduce the

conflict and get the two sides to back off, so that we can achieve some of the reconciliation and settlement that the right hon. Lady wants as much as we do? Will she give an absolute undertaking on behalf of the Government that none of the arms that we have sold will be used to repress or attack civilians in Sri Lanka?

Clare Short: I agree with the hon. Gentleman. The long-running conflict is a disaster for the people of Sri Lanka and it has escalated recently, which is worrying. We are trying to provide help and support for the poor who are affected by the conflict. That work will continue and we remain committed always to providing humanitarian relief where it is needed and where we can. Sometimes that is difficult where there is conflict.

The hon. Gentleman will know that the Norwegian Government are involved in an initiative to broker talks—it is not looking optimistic at the moment. The United Kingdom Government have made it clear that they will be more than willing to help, if both sides want that. We will only be useful in that way.

On the hon. Gentleman's third question on arms, I am sure that the answer is yes, but I cannot say that with authority. I will check and write to him.

Mr. Dafydd Wigley (Caernarfon): Does the Secretary of State accept that a long-term solution in Sri Lanka can be secured only when the legitimate rights of all peoples there are respected? In any dealings with the Government in Sri Lanka, will she emphasise the need to ensure fair play for the Tamil peoples as part of their policy? Without that, there will not be long-term stability.

Clare Short: I certainly agree with the right hon. Gentleman that peace always requires justice for all people, but I am afraid that, whatever the historical origins of the conflict, continuing fighting by the Tigers is bringing enormous suffering to all the people of Sri Lanka. It is time for peace.

The right hon. Member for Upper Bann (Mr. Trimble) may be interested to know that we have set up links between schools in Sri Lanka and in Northern Ireland to try to learn from some of the reconciliation work in Northern Ireland, so that such matters can be included in the curriculum in Sri Lanka. All the people need peace—of course, with justice, but the conflict should be brought to an end.

Debt Relief

3. **Mr. Malcolm Savidge** (Aberdeen, North): What progress was made on speeding up debt relief for heavily indebted poor countries at the spring meetings of the World Bank and the International Monetary Fund. [119353]

The Secretary of State for International Development (Clare Short): At the spring meeting of the World Bank and the International Monetary Fund, agreement was reached to establish a joint World Bank-IMF committee to oversee the implementation of the enhanced heavily indebted poor countries initiative. The Chancellor and I have pressed for that, and hope that it will provide a focus for efforts to ensure that commitments made at the Cologne G7 meeting—that three quarters of eligible countries would start to receive debt relief before the end of the year—are met. It looks as though that target is slipping.

Mr. Savidge: Do the current World Bank and IMF estimates of the number of countries that will qualify for enhanced debt relief look as though they will reach the G7 target of three quarters, to which the Secretary of State referred?

Clare Short: I am grateful to my hon. Friend for that question. I did not attend the meeting, because my voice—which is still croaky—collapsed completely when I was meant to be in Washington. I am sad to say that the communiqué from the Development Committee stated that it was hoped that at least 20 eligible countries would start to receive debt relief before the end of the year. That is a reduction in the number in the Cologne commitment. All those who are concerned about debt relief—a concern shared widely throughout our society and across the world—should exert pressure to speed up the process. We are doing that as a Government, but other Governments are causing delays; that is a big worry.

Mr. William Cash (Stone): Would the Secretary of State be good enough to tell us which countries are responsible for the delay? Does she accept that members of the Jubilee 2000 all-party group are extremely concerned about the situation? I pay tribute to her for the honesty with which she has just expressed herself on the subject—she, too, is obviously deeply concerned. How much debt has been paid off? What steps are being taken to liaise with the proposed summit on the matter which the Pope is organising towards the end of this year?

Clare Short: I do not think that it would be wise for me to name countries that are causing delays. We need to exert that beautiful pressure that comes from civil society throughout the world on all the countries involved so that we can move forward. I ask the hon. Gentleman and all those involved in campaigning to do that. In the United States of America, there has been difficulty in obtaining the support of Congress for commitment to the multilateral debt fund. I know that the Administration are trying to get that support and that they would be grateful for any help to achieve that.

So far, five countries are on track with enhanced debt relief. Uganda has gone through the process completely. The amount of debt relief on offer is $100 billion of the $145 billion that is owed. That is a considerable sum.

I am aware that the Pope is holding a conference; that can only be good. I hope that it will contribute to keeping people to the commitments made at Cologne.

Mr. Andrew Reed (Loughborough): Although it is important that we have made progress on this issue, there obviously remains much work to be done. I urge the Secretary of State to give us at least a hint as to which countries are holding matters up, so that those of us who are involved with the Jubilee 2000 coalition can encourage others around the world to apply pressure on their own Governments, if they are holding things up.

There is a feeling of real frustration that we have come so far, but have not yet delivered a real change for people in the third world.

Clare Short: I am grateful to my hon. Friend for his offer of support. It would be invidious to have a list of guilty parties. Not many major countries were involved in the G7 meeting at Cologne. We are about to go to Okinawa. Pressure on all to speed up the process and to keep to their commitments should be exerted across the international system. The new unit in the bank and the fund gives us an opportunity to put the pressure on, which is important. One of the great achievements is the decision that debt relief should go behind poverty reduction strategies. Some countries are calling for absolute perfection in those strategies. We are saying that we should put broad poverty reduction strategies in place, so that initial debt relief can flow and then be strengthened as time goes on. That is the right way forward.

Mr. Gary Streeter (South-West Devon): I know that the Secretary of State will be as disappointed as many of us are at the lack of progress in this special year, the year of Jubilee, when we want to make unique progress on debt relief. I know that she will share the concern of Kofi Annan, who said in March:

> The deeper, faster and broader relief promised last year has yet to materialise.

I know that the right hon. Lady is working hard on this matter and will be disappointed, but, apart from the joint implementation committee, what specific plans does she have to break through the current logjam?

Clare Short: I am sorry to disagree, as usual, with the hon. Gentleman. There has not been a lack of progress. The most stupendous achievement has been made, primarily by the Church and faith groups across the world and by other parts of civil society, in pressing the leadership of the richest countries in the world to agree more generous debt relief to mark the year 2000. The enhanced heavily indebted poor countries initiative and the decision to put the focus on poverty reduction strategies are considerable achievements. Five countries are already on track and one has completed the process. So that is all good, and it is considerable progress.

We are seeing some slippage in the number of countries coming through against the target set at Cologne of three-quarters of eligible countries on track by the end of 2000. I think that the situation is retrievable. With enough pressure, countries will get back on track, and that must be our shared objective.

Mr. Streeter: I know that the Secretary of State is working hard on the matter, but I am sure that she will agree that the granting of debt relief to only five countries after all these years and after four months of the year 2000 is not a significant achievement. May I put a practical suggestion to her? Between now and the G8 summit in Japan in July, will she make debt relief her highest priority? Will she engage in a round of shuttle diplomacy with her counterparts in G8 countries, the IMF and the World Bank? Will she put every last ounce of effort into the project between now and July so that, for all those living under the crippling burden of unpayable debt, the year 2000 really will be a year of delivery?

Clare Short: I am grateful for the hon. Gentleman's concern, but he is wrong to suggest that, only this far into the year, to have five countries on track for the much more generous debt relief that has been agreed as a result of the international campaign is a disaster. It will be a disaster if we do not get three quarters of eligible countries through by the end of the year. Pressure from him and all of us, including me, could achieve that objective. I certainly promise him that I and my right hon. Friend the Chancellor will continue to exert all the pressure that we can. I am not in favour of shuttling around the world, as some politicians do, for its own sake, but I promise that I shall do everything in my power, as will my right hon. Friend the Chancellor. I hope that with the help of the hon. Gentleman and all hon. Members, we shall make sure that we keep to the Cologne commitment.

Kosovo

4. **Mr. Roger Casale** (Wimbledon): What assessment she has made of the impact of her Department's work in Kosovo. [119354]

The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes): We have recently reviewed our work in Kosovo, Albania and Macedonia. Our contribution last year totalled £110 million. As well as assisting refugees returning to Kosovo, we have supported the United Nations mission, mine action, human rights, health care and restoring basic services. We believe that our work has made a significant contribution to the process of getting life in the province back to normal after the conflict.

Mr. Casale: I thank my hon. Friend for that reply. I visited Kosovo last year with Mr. Geoffrey Morris, on behalf of London and South East Direct Aid to Kosovo, and saw at first hand the excellent work of the Department. I am a patron of LASEDAK and we work alongside the Scottish Charities Kosovo Appeal on humanitarian relief and development projects in Kosovo. Is my hon. Friend aware of the concerns of such organisations about the relative scaling back of the work of his Department within the overall framework of the EU stability pact? Non-governmental and voluntary organisations working in Kosovo depend very much for their effectiveness on the work of the Department and, with 10,000 refugees returning to the region, in which LASEDAK and SCKA are involved, there is a real danger that next winter will be worse than last.

Mr. Foulkes: I am grateful to my hon. Friend for the kind things that he said about my Department's work. The main burden of reconstruction should now rightly be taken on by the European Union and the new agency for reconstruction, which started its work at the end of February. As I said earlier, 360 million euros has been provided through the European Union and our contribution is £35.5 million. However, we are anxious to make sure that the operation is not hampered by Brussels bureaucracy. We want resident advisers and devolved

responsibility to make the operation effective and to ensure that there is quick and effective reconstruction in Kosovo.

Mrs. Cheryl Gillan (Chesham and Amersham): Has the hon. Gentleman had a chance to study the United Nations Economic Commission report that was published today? It slams the aid efforts in the Balkans, saying that the big gap between funding pledges and disbursements delayed action and created disillusionment. The report also highlights poor co-ordination, the lack of coherent vision and the failure to place individual projects within a broader programme of development at national and regional level.

Can the hon. Gentleman assure us that all the promised UK funds have been disbursed and that he is making every effort to ensure that the civil administration posts in Kosovo, some 55 per cent. of which remain empty, are filled by local people? Does he agree that, while more than half those posts are vacant, the region will continue to be run by western non-governmental organisations? Despite their best efforts, they could repeat the mistakes made in eastern Europe and remain open to the criticisms made in the report.

Mr. Foulkes: The picture described by the hon. Lady is a travesty of reality. The Kosovo crisis saw the largest and fastest movement of population in Europe since world war two. The international community managed to get people under shelter in the winter, with heat, light and water, in spite of the dire predictions. The £110 million that we have provided is the largest humanitarian programme that DFID has ever undertaken, and 90 per cent. of operational targets were achieved on schedule and within budgeted costs. That is a great achievement, and the hon. Lady should recognise that.

Arms Exports

5. **Dr. Vincent Cable** (Twickenham): What evaluation she has carried out of the impact of export credit guarantees on arms exports to developing countries. [119355]

The Secretary of State for International Development (Clare Short): My Department commissioned a review by Dr. Valpy Fitzgerald of Queen Elizabeth house, which found that export credit guarantees could promote sustainable development in poor countries, but expressed reservations about the appropriateness of ECGD support for arms exports to developing countries. The position paper of my Department to the ECGD review argues that we should be willing to support arms expenditure when it is part of a responsible and properly accountable security sector that is needed to create the stability necessary for development—but only then. Copies of the review and the position paper have been deposited in the Library. I am grateful to the hon. Gentleman for drawing attention to them.

Dr. Cable: Is the right hon. Lady aware of the work of the Select Committee on Defence, which suggested that up to £250 million a year of taxpayers' money is provided in the form of subsidy for arms exports to developing countries through the ECGD? Does she regard that as a useful additional flow of finance, or does she agree with the retiring director of the IMF that it seriously undermines development?

Clare Short: I agree that excessive arms expenditure undermines development, but countries need stability. When there is an over-bloated security sector or no order and peace, one cannot achieve development. Therefore, a properly sized and democratically accountable security sector is what developing countries need. There have been no ECGD-backed arms exports to HIPC countries or to countries eligible under the International Development Agency, the most concessional arm of the World Bank, in recent years and 80 per cent. of the ECGD cover for arms expenditure in developing countries goes to Saudi Arabia and Oman. We have improved the record, but the hon. Gentleman raises an important point. I hope that more hon. Members will take an interest in the review of ECGD, because we could tighten up and improve it.

Mr. Desmond Browne (Kilmarnock and Loudoun): Does my right hon. Friend agree that the conflict in many developing countries is exacerbated by the activities of arms brokers, who ply their trade from the United Kingdom, largely in an unregulated fashion? Indeed, there is evidence to suggest that, dealing through Uganda, arms brokers from this country are providing arms to both sides of the conflict in the Congo. In the context of the Government's review, will my right hon. Friend ensure that the voice of those who wish to see such activity licensed in this country is heard loud and clear?

Clare Short: My hon. Friend raises an extremely important point. There have been worrying examples of arms brokers based in the United Kingdom brokering deals with disreputable sources for countries that do not need more arms. As I think my hon. Friend knows, the issue is under review. Unfortunately, I am not in a position to make an announcement this afternoon.

Mr. John Wilkinson (Ruislip-Northwood): Do the Government take pride in their banning of ECGD credits for arms acquisitions by 63 of the poorest countries in the world? Of those countries, only Kenya has been a recipient of such credits over the past 13 years. Would it not be a much more ethical foreign policy for the Government forthwith to ban all exports of British armaments to Zimbabwe, which is using them in a civil war in the Congo?

Clare Short: As the hon. Gentleman knows, my right hon. Friend the Foreign Secretary will make a statement on Zimbabwe later this afternoon. He will probably have something to say of interest to the hon. Gentleman.

I take considerable pride in the fact that the Government have tightened up considerably on the previous Government's record. None of the 63 poorest countries is in receipt of ECGD cover, including Kenya. It did not get any such cover for arms purchases. We have declared that there will not be such cover in future. We are trying to get international agreements so that others will take up our position. I think that that is right, and I hope that the hon. Gentleman will support the campaign.

World Education Forum

6. **Mr. Bill Michie** (Sheffield, Heeley): What progress was made at the world education forum in Dakar on putting in place policies to deliver high-quality primary education for all children? [119356]

The Secretary of State for International Development (Clare Short): The Dakar forum resulted in a strong political commitment by national governments and the international community for education for all and the development of national action plans, and agreement on the need for significantly enhanced investment by governments and donors for primary education. United Nations conferences cannot require sovereign Governments to prioritise primary education, but can encourage and monitor progress. I am confident that developing country Governments are now aware that educating a generation of children even to primary level, including girls, is the most effective development intervention that a country can make. I hope that we will be able to drive this commitment forward.

Mr. Michie: I thank my right hon. Friend for that full and frank reply. In terms of her Department, what are the implications of the Dakar forum for the future? What steps does she think may be necessary to ensure that Governments of developing countries and donors fulfil the commitments that they made at Dakar, so that all children have the right to primary education?

Clare Short: My hon. Friend will probably know that the bulk of the spending on education by most developing countries is directed to higher education. The reason is that elites are powerful in very poor countries. They live in the cities and they can usually pre-empt expenditure. It is a difficult political task to get a commitment to spending on the poorest children in rural areas.

We are working hard on this task through the international system and by contributing more funds. We have committed £300 million over the past three years. The call at Dakar for a special international fund will not do the job—we must persuade Governments and their civil societies to prioritise the education of poor children. We are making progress and there must be sustained interest in doing so through to 2015.

Mr. Andrew Rowe (Faversham and Mid-Kent): Does the Secretary of State share my anxiety that in certain countries in sub-Saharan Africa primary education has become susceptible to charging for various elements of it, whether it be books, uniforms or whatever? This is proving a disincentive to families. Did the Dakar forum address that issue?

Clare Short: The hon. Gentleman is absolutely right. Kenya, for example, is a big spender on education, but 98 per cent. of its expenditure goes on teachers, and there is nothing for books, chalk or anything else, so parents are charged and poor children do not go to school. That distortion applies throughout the system, which is why a special top-up fund will not do. It is important to get Governments committed to educating all children, including poor children—and particularly girls, who tend to be excluded. As the hon. Gentleman knows, countries such as Uganda and Malawi, which is very poor, are giving a lead, and we must spread that commitment internationally.

The World Bank's evidence is clear: educating a generation of children, including the girls, even only to primary level, is the strongest development intervention that any country can make. If countries want development, they must educate all their children.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [119380] **Sir Raymond Whitney** (Wycombe): If he will list his official engagements for Wednesday 3 May.

The Prime Minister (Mr. Tony Blair): This morning, I met Nelson Mandela, as well as having meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Sir Raymond Whitney: Does the Prime Minister accept that it is not enough for the international community to sit back until elections are held in Zimbabwe? If the present scale of killings and intimidation of political parties continues, the results of any such elections will be meaningless. Will the Government now do more, in collaboration with our international partners, to seek to restore the rule of law in Zimbabwe?

The Prime Minister: I entirely agree that the situation in Zimbabwe is very serious, but the hon. Gentleman will have seen yesterday's statement by the Commonwealth ministerial action group, which made it clear that the elections should be free and fair and that the violence and killing must stop. He will also know from the negotiations that took place in this country last week that we have made it clear, as we have done throughout the situation, that we are prepared to help, but only if the violence and illegal occupations cease.

It is necessary not only for the international community but for this country in particular to make that absolutely clear, and we have done so. We are working at every single level of the international community to get that point across, and we will carry on doing so.

Mr. Richard Burden (Birmingham, Northfield): My right hon. Friend will know that one of the meetings that he held this morning was with a delegation of stewards from the Longbridge plant in Birmingham. Is he aware of the strength of their feeling about safeguarding both the future of that plant and the future of car manufacturing in Birmingham? Will he comment on the fact that sales of Rovers have risen dramatically in the past two months and that the company's market share is now 12 per cent? Will he do all that he can to safeguard the future of

the plant, including providing tangible support for a credible business plan, so that we can retain the industry, which is strategically important for the west midlands?

The Prime Minister: My hon. Friend is absolutely right, and the Rover is a good car, as sales show. It is essential that we put together a plan that will give Longbridge a viable future; that we safeguard as many jobs as possible, and that for those people who unfortunately lose their job we stand ready to help them through the process of change. I made it clear to the people from Longbridge whom I saw this morning that the Government stand willing to do whatever we can to safeguard the existing jobs and to make sure that anyone who does lose their job gets the best possible chance of a decent job in the future. We shall carry on, as we have been doing over the past few weeks, working night and day to bring about that solution.

Mr. William Hague (Richmond, Yorks): Last year, vandals rioted in the City, destroying property and terrifying law-abiding people. On Monday, the same groups defaced the Cenotaph and dishonoured our war dead. The Prime Minister has said that such events cannot happen again, so will he now abandon the Government's wretched weakness on law and order? Will he support the call of mayoral candidate Steve Norris to do all in his power to see that annual display of violence banned for next year?

The Prime Minister: As the Home Secretary indicated yesterday, and as I have said, of course we shall do everything possible to ensure that those appalling, disgraceful scenes do not happen again. I have to say to the right hon. Gentleman that his capacity to exploit any situation is absolutely unlimited. As for his mayoral candidate, I read his *Evening Standard* advertisement today, and there was one word missing, and its first three letters are "con".

Mr. Hague: The right hon. Gentleman talks about exploiting the situation, but he is the one who went down to the Cenotaph yesterday, peeled an onion, and said, "It can never happen again." We want to know what he is going to do to make sure that it never happens again. After last year's events, the Home Secretary said that the Government would do everything possible to prevent a repetition; now, the Prime Minister says that it cannot happen again—but it has already happened twice. The violence of that demonstration was widely predicted and advertised; my right hon. Friend the shadow Home Secretary wrote to the Home Secretary about it. Why not say now that it should be banned next year?

The Prime Minister: First of all, it is unfortunately not the first time that riots have occurred in London: some people remember a few in the 1980s and 1990s. Of course, we have to sit down sensibly with the police and other authorities to make sure that those disgraceful scenes do not happen again. That we shall do. Nothing is helped by the right hon. Gentleman, as ever, leaping on any passing bandwagon.

Mr. Hague: We remember the 1980s, when the right hon. Gentleman was parading around with a CND badge—he knows all about what happened in the 1980s. Do not these events require a change from utter weakness on law and order? Is he not soft on crime and soft on the causes of crime? What sort of signal does it send to rioters that he has released early more than 700 people convicted of violent disorder or affray, when the Home Secretary promised not to release serious offenders? Is it not time that we stopped releasing thugs before their sentences have been served?

The Prime Minister: On the last point, I would cite the unanimous support of the all-party Home Affairs Committee, which at the time included the person who is now the Conservatives' Front-Bench spokesman on law and order. The fact is that it is the Labour Government who have introduced "three strikes and you're out" for burglars and toughened up the youth justice system; it is we who have put more money into law and order, when the right hon. Gentleman was pledged to cut the money going into law and order.

Mr. Hague: At the time that that Committee expressed support for the policy, the Home Secretary said:

> We have no plans . . . whatever . . . to facilitate the early release of serious or sexual offenders . . . none whatever.—[*Official Report*, 29 November 1999; Vol. 340, c. 27.]

Since that time, they have released early 19 sex offenders, 22 people convicted of cruelty to children and 2,500 convicted drug dealers. By releasing criminals early, preventing tougher sentencing and cutting police numbers, are not the Government weakening the fight against crime, and is that not a total betrayal of everything the Prime Minister promised the country?

The Prime Minister: The fact is that, under the Tories, crime doubled—they never like to be reminded of it, but crime doubled. Under the Labour Government, crime has fallen. It is this Government who have introduced the measures on burglary and youth justice. What contribution did the right hon. Gentleman make to tougher sentencing the other day? He has now said that he rules out a mandatory life sentence for murder. Am I right, or am I wrong?

Mr. Hague: For self-defence, as the Prime Minister knows full well.

To fight crime and prevent future riots, would it not be a good start to elect tomorrow a mayor of London who will be on the side of the police, rather than on the side of the rioters? Since the right hon. Gentleman has now tried every other means of preventing the hon. Member for Brent, East (Mr. Livingstone) from becoming mayor of London, will he now join all his friends and supporters on *The Mirror* in saying, "Vote Conservative tomorrow"?

The Prime Minister: Some of us recall the shadow Home Secretary talking about the riots yesterday. Whom did the right hon. Lady decide to attack? She attacked the police. We should support the police in this situation. We will take no lessons on law and order from the Conservative party, which doubled crime and, when the right hon. Gentleman was in the Cabinet, cut police numbers as well.

Caroline Flint (Don Valley): Is my right hon. Friend aware that, as we sit in this Chamber, there is a count in the Conisbrough ward in my constituency, where there

has been a full postal ballot as part of our pilot scheme to modernise the way in which people vote? I am pleased to tell my right hon. Friend that we are looking at a 45 per cent. turnout. Will he extend his congratulations to the person who I know will be re-elected: Councillor Gerard McLister?

The Prime Minister: I hope that my hon. Friend is right in her predictions. The point that she makes is serious. It is important that we raise the numbers of people participating in local democracy. Early results indicate that the experiment is well worth pursuing. We shall obviously have to evaluate results carefully, but if we get 10 or 15 per cent. higher turnouts as a result of the new system, it will be one reform that will hugely strengthen the whole of our democracy.

Mr. Charles Kennedy (Ross, Skye and Inverness, West): In condemning utterly the evil thuggery that we all witnessed in central London two days ago, may I turn the Prime Minister's attention to another form of evil in our society: the evil of racism? Does he agree that the appalling attack on the black care worker in Birmingham two days ago—he was racially abused and then set on fire—should act as an important pointer to every politician in this House that we should not conduct ourselves in a way that plays or panders to the worst fears of racial prejudice?

The Prime Minister: I agree with every word that the right hon. Gentleman has said.

Mr. Kennedy: Does the Prime Minister further agree that, when one is talking about issues such as asylum and immigration, particularly with elections approaching, to use saloon-bar language is nothing more than gutter politics?

The Prime Minister: The right hon. Member for Richmond, Yorks (Mr. Hague) may laugh, but it is extraordinary that he has not from the Dispatch Box put the positions that he has been putting in the country. The reason that he does not do so is that he knows perfectly well that his arguments would not stand up in proper debate.

Let me make one point. Asylum, and the growth in the number of asylum seekers is an issue, and we are trying to deal with that issue. However, one thing is a cruel deception: to go around the country telling people that all the problems of the health service and schools and old-age pensioners could be solved if only we locked up a few asylum seekers.

Let me give the House the facts. The total cost of asylum is less than one fifth of 1 per cent. of Government spending. It is a problem, we are dealing with it, but we should not, any of us, exploit it—particularly not someone whose desperation is rather greater than his judgment.

Mr. James Plaskitt (Warwick and Leamington): Three thousand pensioners in my constituency qualify for the minimum income guarantee. For a single pensioner, that means £16 a week—a 25 per cent. cash increase—more than they were receiving at the general election. What can the Government do to ensure that those who qualify for the minimum income guarantee get it?

The Prime Minister: We are trying to ensure that people who are entitled to the minimum income guarantee get it. Altogether, this Government will put in some £6.5 billion additional expenditure for pensioners. There is of course now the £150 winter fuel allowance and free eye tests and free television licences for those aged over 75.

It was also very important that we dealt with the problems of the poorest pensioners first. That is what the minimum income guarantee does. For some couples, it will mean gains of up to £20 a week. I am proud that a Labour Government are tackling the issue of pensioner poverty. Pensioners—any of them—should not forget that the Conservative party would take those things off them again.

Q2. [119381] **Mr. Desmond Swayne** (New Forest, West): The right hon. Member for Holborn and St. Pancras (Mr. Dobson) has said that he does not know how to cast his second preference vote in the election for which he is the Labour candidate. This morning on the "Today" programme, the Secretary of State for Eduction and Employment announced that it was no good asking him how he would do so because he was opposed to the very electoral system. As that electoral system was designed by the Prime Minister, perhaps he would give us his advice on how he will cast his second preference vote.

The Prime Minister: No.

Q3. [119382] **Mr. Eric Clarke** (Midlothian): My right hon. Friend the Prime Minister should be thanked—*[Interruption.]*

Madam Speaker: Order. Let the hon. Gentleman finish.

Mr. Clarke: I thank my right hon. Friend on behalf of the miners who suffer from emphysema, bronchitis and white finger, but one group of people in the coalfields has been left out: the sacked miners, who suffered injustice, according to the inquiry conducted by the Select Committee on Education and Employment. May I suggest as a start the reinstatement of those miners to the miners pension scheme for them and their families?

The Prime Minister: As my hon. Friend knows, the Department of Trade and Industry has undertaken a review of what happened with regard to dismissals and re-employment around the time of the 1984–85 miners strike, and will shortly announce its findings. I hope that those in the mining industry recognise that we have given support to the mining industry, most particularly for those people who suffered as a result of working down the pit. After years and years during which people fought and were not able to gain compensation, it is this Government who have come up with the compensation scheme. It is

taking time to push that through, but we are pushing it through, and I hope that over the next couple of years, people will see the benefits.

Q4. [119384] **Mr. Christopher Gill** (Ludlow): Doubtless, the Chancellor of the Exchequer will have told the Prime Minister that more than half the Bank of England's gold and currency reserves are now held in euros. Will the Prime Minister take this opportunity of telling the House by how much the value of the nation's reserves has slumped since the decision was taken to sell off the nation's gold? On gold, is he aware that Germany has increased its holdings of gold threefold, from £10 billion 12 months ago to more than £30 billion today?

The Prime Minister: I cannot work out the precise point that the hon. Gentleman is making, but I am sure that it is against Europe; of that we can be sure. The Bank of England has a diverse range of assets, as do other countries. Some countries have sold gold; some countries have not. I am entirely content with the way in which the Bank of England has handled the matter. I suggest to Conservative Members that they get a new obsession, as that one is wearing rather thin.

Mrs. Alice Mahon (Halifax): Is my right hon. Friend aware that the comments of the Leader of the Opposition on law and order will sound pretty hollow to the people of Halifax, where the Conservatives are fielding a would-be councillor with a long criminal record, some of it as recent as last September? *[Interruption.]* The Leader of the Opposition and the shadow Home Secretary recently visited Halifax and the local police station, and must be aware of that man's activity. Will my right hon. Friend comment on the message that that sends to the people of my constituency?

Madam Speaker: Order. The Prime Minister has no responsibility for Conservative candidates.

Q5. [119385] **Mr. Martin Bell** (Tatton): Following his meeting with the Royal British Legion last month, will the Prime Minister give favourable consideration to the case for a gratuity to former far east prisoners of war? More than 7,000 of them still survive, British heroes every one. Is not such a gesture to the living the best answer to those who would deface our monuments to the dead?

The Prime Minister: I have heard first-hand from former prisoners of war and from their relatives and friends about the appalling suffering that they endured when they were held prisoner in the far east. They are immensely brave people, to whom we owe a great debt. A few weeks ago, I, along with the Under-Secretary of State for Defence, met the chairman and secretary general of the Royal British Legion, and we agreed then that we would look again at the policy on the far east prisoners of war, including the question of compensation. That we are doing. I make no commitment at this stage, but we told them that we would consider carefully the points and the representations that they had made, and we will do so.

Q6. [119387] **Ms Sandra Osborne** (Ayr): After years of Tory dithering, the Prime Minister will be aware how pleased we were in my constituency when the new Scottish air traffic control centre was given the go-ahead. However, in the light of recent suggestions that that will be put at risk in the longer term by the proposed public-private partnership for National Air Traffic Services, what further assurances can my right hon. Friend give me today about the security of the 700 jobs in my constituency?

The Prime Minister: I know that my hon. Friend has campaigned long and hard on the issue and I can assure her that the strategic partnership agreement, which will be concluded under the NATS PPP, will guarantee the construction of the new Scottish centre at Prestwick and its continued operation as part of the two-centre strategy, and that construction will provide and guarantee the 700 jobs in Ayrshire.

As for NATS and the PPP more generally, it is important to realise that the whole issue of safety regulation will be kept in the public sector. What is done in partnership with the private sector will be the investment in the necessary infrastructure. Conservative Members may shout, but no one should forget that their policy is to sell off NATS in its entirety, whereas our policy is to retain a 49 per cent. stake for the Government.

Mr. Ian Taylor (Esher and Walton): As the Prime Minister is presiding over severe damage to the UK manufacturing base with the consequent harm to jobs, will he take the announcement of the welcome merger of the London and Frankfurt stock exchanges as an opportunity to give a clear signal of positive measures that he will take to bring the sterling crisis under control?

The Prime Minister: There was a moment during that question when Conservative Members stopped cheering.

We understand the problems caused by the strength of sterling, although that is more to do with the difficulties that the euro has had during the past few months. For example, the sterling-dollar ratio has barely changed. The worst thing that we could do is to try artificially to devalue the currency, and that we will not do. What we will do is carry on with the policies that provide stability in the long and medium term for Britain and its industry. I remind the hon. Gentleman that the last time a Government tried policies that failed to bring stability, in the late '80s and early '90s, we ended up with the loss of 1 million manufacturing jobs, a very deep recession and interest rates at 10 per cent. for four years or more, and I do not want to repeat that experience.

Q7. [119388] **Mr. Derek Twigg** (Halton): Is not it unacceptable that decades of inequalities in health should continue, and should not the record expenditure announced recently in the Budget be targeted towards reducing that inequality? That is particularly important in areas such as mine which has the highest child mortality in England, and that is why it is so welcome to have the extra £1.5 million for Halton general hospital and the 8 per cent. increase in spending for the North Cheshire health authority, in stark contrast to the Opposition's policies.

The Prime Minister: As a result of the extra money that has now gone into the health service, we shall be able not only substantially to increase funds in the next four years, but to bring about the necessary changes and modernisation to expand hospital service provision and to

deal with patients in a better way. Again, everyone should understand that that additional expenditure in the health service would immediately be taken away by a Conservative Government because the Opposition are committed to changing the tobacco duty and do not support that part of the health service funding plan, and their private medical insurance scheme would cause an immediate £500 million loss just for those who already have private medical insurance. Therefore, if ever there was a Conservative Government, there would be a £1 billion shortfall and the money that has gone to my hon. Friend's constituency would go out again.

Q8. [119389] **Dr. Vincent Cable** (Twickenham): Does the Prime Minister agree that one of the contributory factors to the growth of xenophobia towards asylum seekers, after the Tory leader, is the impact on council budgets in London and the south-east of England? Why did the Government capitulate to the shrill right-wing populist campaign from Kent county council, reimbursing all its costs, while London boroughs of all three parties, which behaved calmly and responsibly, will have to pick up the bill which, in my borough, amounts to £30 on an average council tax bill?

The Prime Minister: I do not accept the hon. Gentleman's comments about Kent. It was important for the Home Secretary to react in the way that he did because of the pressures on Kent county council. My right hon. Friend has made it clear that he is happy to see the hon. Gentleman to discuss the position in his constituency. There is a problem with the increasing number of cases, but we have dealt with that in the right way: by changing the system, making sure that the removals happen faster and that the cases are processed faster, and penalising those who bring people into this country illegally. That is the right way of dealing with the problem, not the wrong way, which is exemplified by the Conservative party.

Mr. Ben Bradshaw (Exeter): Is the Prime Minister aware that Labour-run Exeter city council levies a lower council tax but delivers a higher level of service than any of the surrounding Tory or Liberal Democrat-run councils? It is the only council in Devon to be awarded beacon status for excellence. Does not that show that people are better served and better off—locally and nationally—with Labour?

The Prime Minister: I agree with my hon. Friend entirely.

Q9. [119390] **Mr. Nick St. Aubyn** (Guildford): In the final advertisement of the official Labour party candidate in today's *Evening Standard*, he asked people to "Vote Frank", not for the Labour party. Is that because the party to which he belongs has deserted him throughout this campaign, or because the appalling scenes in Parliament square and at the Cenotaph have led the candidate to desert his party?

The Prime Minister: I do not think that the hon. Gentleman heard what I said earlier about the Conservative party candidate. The right policy for the tube is for the private sector to do what it does best: the building and construction work; and for the public sector to do what it does best: running the service and being responsible for safety. The Tory party plans to privatise the tube. Nobody wants that.

Mr. Ian Davidson (Glasgow, Pollok): Is the Prime Minister aware that while unemployment in my constituency has dropped by about a third since the general election, it is still the highest in Scotland? Does he agree that the removal of assisted area status from most of my constituency is not likely to be helpful in those circumstances? Does he further agree that it would be best if Govan Shipbuilders was kept on the Clyde?

The Prime Minister: Of course I believe that, but discussions are on-going about how the new map is allocated in the United Kingdom as a result of the changes that are happening all over Europe because of enlargement. My hon. Friend's point about unemployment is well taken: 800,000 or more jobs have been created since the general election, 200,000 of them through the new deal. Many people in every constituency throughout the country have managed to get work that they would not otherwise have got because of the new deal. *[Interruption.]* Conservative Members are trying to shout us down because people should know that the Conservative party is committed to scrapping the new deal and putting people on the unemployment scrap heap.

Q10. [119391] **Mr. Peter Brooke** (Cities of London and Westminster): With further reference to Monday's events, when will the Government raise the pay of both uniformed and civilian police staff, especially in London, to maintain recruitment and particularly quality?

The Prime Minister: An offer is currently before the negotiating board. There is a real problem. It is difficult for many police officers to live in London because of the cost of housing here. My right hon. Friend the Home Secretary has put an offer before the police negotiating board, and we are in discussion about it. I hope that the right hon. Gentleman's question means that he will support us when we make additional public investment available for the police service.

Mr. Peter L. Pike (Burnley): While the Prime Minister rightly recognises that what is happening to the Rover Group is primarily a west midlands problem, does he acknowledge that it is causing major job losses throughout the motor components industry, including in constituencies such as mine, where 600 redundancies have already been announced? That is especially worrying at a time when we, too, are losing assisted area status. Will my right hon. Friend make it clear that whatever hope is given to the west midlands will ripple to other areas that are affected by job losses in the motor industry?

The Prime Minister: Yes, we certainly see that as our task. When economic structural change affects people's jobs, it is our job as a Government to be on their side and to help them through that process of change. That type of economic and structural change is happening all over the western world and Europe. We cannot prevent some of that change, but we can try to help people through it, help them find new jobs when they lose their jobs and

help to support industry in any way we can. That is precisely what the Government are doing and will carry on doing.

Q11. [119392] **Mr. Tim Boswell** (Daventry): May I ask the Prime Minister personally to look into the case of Colin Hughes? He is well known to many of us as a BBC producer, despite the fact that he is a wheelchair user and dependent on a carer for almost all his essential personal functions. His support from the independent living fund is being subjected to a means test, which will effectively halve his income. Does the Prime Minister think that that can possibly be fair?

The Prime Minister: I do not know the facts of the individual case. I am perfectly happy to look into them, following the hon. Gentleman's question.

Zimbabwe

3.31 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): With permission, Madam Speaker—*[Interruption.]*

Madam Speaker: Order. Will hon. Members who are leaving please do so quietly? We have been waiting a long time for this statement.

Mr. Cook: Thank you, Madam Speaker.

With permission, I will make a statement on the situation in Zimbabwe. Yesterday, I attended the meeting of the Commonwealth ministerial action group. I am pleased to report to the House that the meeting endorsed all our concerns. In particular, it recorded "deep concern" over the continuing violence, the illegal occupations, the failure to uphold the rule of law, and the political intimidation. It demanded fair elections, within the time required by the constitution of Zimbabwe.

The meeting agreed that the Commonwealth Secretary-General should visit Harare urgently in order to bring home to the Government of Zimbabwe, and to make clear to the people of Zimbabwe, the concerns of the Commonwealth. I spoke in advance to most of the Ministers present yesterday, and I am pleased by the universal agreement that they gave at the meeting to our concerns. The outcome exposes the efforts of President Mugabe to pretend that only Britain is critical of the conduct of his Government. All Britain's concerns have now been supported by a body representing all the Commonwealth, chaired by one of Zimbabwe's neighbours.

A major reason why we received ready support yesterday was the recognition that Britain had taken every reasonable step to find agreement with the Government of Zimbabwe on a fair programme of land reform. At my meeting last week with their ministerial delegation, I confirmed that Britain was ready to help fund land reform, and that we were willing to take the lead in mobilising funds from other partners, such as the World bank, the European Commission and the United States. However, neither Britain nor any other donor is going to fund a programme of land reform unless it is conducted within the rule of law, is based on a fair price to the farmer, and reduces poverty among the rural poor who have no land.

Ministers in Zimbabwe have complained that Britain is imposing colonial conditions. There is nothing new about the conditions. They were all in the conclusions of the 1998 land conference, which was hosted and chaired by the Government of Zimbabwe. Nevertheless, last week the Zimbabwe delegation failed to give a commitment to bring the farm occupations to an end. I made it clear that, in those circumstances, Britain could not take further any support for land reform. Since that meeting, I have briefed Morgan Tsvangirai, the leader of the opposition movement in Zimbabwe. I have also spoken to Mr. Henwood of the Commercial Farmers Union, which has welcomed the firm line that we took on conditions for any help with land reform.

If the Government of Zimbabwe are genuinely committed to land reform, the way is open for them to make progress with international support. I am sorry to say that the events of the past two weeks, and President Mugabe's inflammatory speech earlier today, suggest that the Government of Zimbabwe are interested in land reform only in so far as it creates a condition of crisis in which they can secure their re-election.

The whole House will deplore the mounting evidence of political intimidation of the people of Zimbabwe. Opposition campaigners have been ambushed and beaten up; commercial companies that display opposition posters have had their properties firebombed; rural communities have been threatened that it will be known which ballot box came from their village. By the end of the past month of election campaigning, 14 political activists had been murdered, all of them supporters of the opposition.

No election can be fair unless there is an election campaign free from intimidation. At our meeting yesterday we agreed that the Commonwealth should send election observers to Zimbabwe, and our statement stresses that they must be admitted as early as possible. At the weekend, I will be seeking the same demand from the European Union for early entry of European observers. Although the primary responsibility for ending the violence rests with the Government of Zimbabwe, the presence of international observers may help deter some of the brutality of recent weeks, and may give some confidence to those who want free expression for their views.

In the present circumstances of spreading violence, we have resolved that from today Britain will refuse all new licence applications for exports of arms and military equipment to Zimbabwe. That will include all licences for spare parts in connection with previous contracts, such as the Hawk aircraft contract. We are urgently reviewing all existing licences for exports to Zimbabwe.

Moreover, my right hon. Friend the Secretary of State for International Development has suspended the programme to support the supply of Land Rovers to the Zimbabwe police. As a result, the supply of the remaining 450 has been halted, and will not be resumed unless there is a clear determination by the Zimbabwe police to restore the rule of law.

Britain is willing to help, in the right conditions, with the economic and land problems of Zimbabwe. Britain has also taken the lead in mobilising international pressure for free elections—but no Member will want to approach our discussion on the basis of President Mugabe's claim that the solution to the problems of Zimbabwe lies in London. It does not. Zimbabwe has been independent for 20 years, and President Mugabe has been in power for every one of them. In that time, he has already received over £500 million of development aid from Britain.

It is Zimbabwe's choice what its future will be. However, that must not be the choice of the Government of Zimbabwe alone; it must be the free choice of the people of Zimbabwe, through fair elections without violence, without intimidation and without fear. That was the united message from the Commonwealth yesterday. I ask the House to send the same united message today to the majority of the people of Zimbabwe who want to live in a free democracy, and to be protected by the rule of law.

Mr. Francis Maude (Horsham): I am grateful to the Foreign Secretary for his statement.

[Mr. Francis Maude]

Zimbabwe should be one of the jewels of Africa—rich in natural resources, with some of the most efficient farming in the world, and with a judiciary that has remained robustly independent throughout the recent descent into lawlessness. Its people, who—black and white together—have lived in great harmony, have a vibrant desire for democracy. I think that we all admire the courage and resilience of those in the opposition parties who seem quite undaunted by a ruthless and systematic programme of brutal intimidation that has been countenanced, if not actually organised, by the governing regime. It is intolerable that a country blessed with so much should be brought to its current pass by the savage acts of one man and his acolytes.

As the Foreign Secretary said, everyone accepts that land reform is important; but, as he also said, this is not about land. This is about an ageing despot clinging desperately to power. Can the Foreign Secretary give a categorical assurance that he will not agree to further financial support for land reform without guarantees of lawful and ordered change, and until elections have actually happened?

I welcome the Commonwealth's decision to send observers to the elections to ensure that they are open and fair, but does the Foreign Secretary not think that the delays that have occurred in organising that may already have seriously compromised any elections that take place? The Foreign Secretary is aware—he said it—that much of the violence is geared towards intimidating voters in advance of polling day. Should not observers go to Zimbabwe now, rather than later? Should they not be headed by a group of senior international figures to make it as difficult as possible for Mr. Mugabe to ignore the ordinary requirements of democracy?

The House will be relieved that the Commonwealth has at last been mobilised to the cause. Does the Foreign Secretary accept that his first move, which was to engage the European Union in pressurising Mugabe, was a false step? In many instances the European Union is the right vehicle for action, but it is hard to imagine anything more calculated to entrench Mugabe than the spectacle of all the former colonial powers ganging up together against him. It was always obvious that the Commonwealth was the right family of nations to take action. Why did it take so long for it to get involved?

We welcome the decision to suspend exports of military equipment. Again, why has it taken so long for that decision to be taken? Of course it is right to suspend the supply of Land Rovers; they are clearly not being used to protect the citizenry from intimidation—but why not stop all aid that goes to the Government of Zimbabwe? Obviously, we should not stop aid that goes to help people in communities, but we know that Government-to-Government aid has had a long record of being diverted by the Government to their own personal ends.

Does the Foreign Secretary not agree that yesterday the ministerial action group should at least have started the process of suspending the Mugabe regime from the Commonwealth to remove any veneer of respectability that still attaches to it, as many people in Zimbabwe, both black and white, wish? It is ironic that it was the Zimbabwean Foreign Minister who chaired the Commonwealth ministerial action group that suspended Nigeria from the Commonwealth in 1995.

Fifty years after decolonisation began, do we continue to make excuses for African dictators based on some misplaced notion of post-colonial guilt, or should we not believe today that African leaders should share the same values that African people deserve no more and no less than people from other Commonwealth nations?

Mr. Cook: I welcome the broad tone of the right hon. Gentleman's approach to the discussion, which is an improvement on our previous exchange. It is important that we should send as united a message as we can to those who are listening to the debate on BBC World Service.

I fully agree with a number of the points that the right hon. Gentleman has made. I agree that Zimbabwe's tragedy is that it could be one of the wealthiest countries in Africa, yet currently has one of the greatest economic problems in Africa.

I greatly admire the opposition leaders who have shown such courage in recent weeks. I spoke, as the right hon. Gentleman did, to the leader of the opposition when he was in London. As he has spoken to him, he will be aware that Morgan Tsvangirai has strongly urged us not to take economic sanctions against Zimbabwe precisely because it would play into Mugabe's hands by reinforcing his claim that Britain, not his policies, is the problem. I strongly urge the right hon. Gentleman to accept that advice, as I have done, from someone who has shown great courage in taking on the authority of President Mugabe.

On the specific questions that the right hon. Gentleman asked, I can of course give him a categorical assurance that there will be no assistance for land reform without a return to the rule of law and without the 1998 conditions being met in full. Those, of course, require the existence of some form of democratic process and good governance within Zimbabwe. Therefore, I can also say that there will be no assistance this side of elections, which should in any event be held imminently; if they are to be held within the constitution of Zimbabwe, they must be declared by July.

Yesterday, we discussed in the Commonwealth ministerial action group the possibility of finding a senior, preferably African, figure to lead the observer team, who would carry authority within Zimbabwe and beyond it.

As for the engagement of the European Union, I know that Opposition Front Benchers have scant time for that body, but it is the natural and right place for Britain to start to mobilise the international community. If we cannot get the European Union behind us, who else are we going to get behind us? *[Interruption.]* I discussed the matter with the Secretary-General of the Commonwealth four weeks ago.

The unanimous nature of the decision that we reached yesterday demonstrates the degree of successful lobbying at all levels in the Commonwealth. Indeed, concern has been expressed about Zimbabwe throughout the world. I particularly appreciate the strong support of the United States, and I welcome the mission that the Southern African Development Community sent to Zimbabwe. Its leaders know the extent to which the situation there could destabilise the entire region.

The right hon. Gentleman raised again the idea of suspending aid. However, much of the aid that we provide goes to the most vulnerable people in Zimbabwe.

The largest single projects that we support are those that combat the spread of AIDS. As 25 per cent. of the population of Zimbabwe is already HIV-positive, can it really be sensible to pull the plug on those projects, many of which are necessarily undertaken through the Government because they involve health matters? If we were to take that step, the only result that I can perceive is that we might convince the people of Zimbabwe that President Mugabe was right, and that, when it came to solving their problems, Britain was an enemy, not a friend.

Finally, the rules for suspension from the Commonwealth are well set out in the Millbrook action plan, a document adopted by the previous Conservative Government and endorsed at the most recent Commonwealth meeting. The rules make it quite clear that suspension becomes an option only if a Government becomes unconstitutional. Nigeria and Pakistan had unconstitutional military coups. Much as we deplore the nature of the policies of President Mugabe, his Government are in power constitutionally—although that will change if elections are not held within a specified time.

I end on a note of agreement with the right hon. Gentleman. I agree that the chief burden of bringing home to President Mugabe the damage that his policies could do to Zimbabwe and the rest of Africa must lie with African leaders. Many of them know that the situation in Zimbabwe could start trouble in other African countries. They all know that it is in danger of creating a threat to investor confidence not just in Zimbabwe but in Africa as a whole. That is why many of them have expressed to me and to President Mugabe their concern at his actions. It is important that we work with them, and demonstrate to them both that we are willing to help and that the failure to reach agreement was not our failure, but that of the Government of Zimbabwe.

Mr. Donald Anderson (Swansea, East): The strong words of condemnation from the United Nations, the Commonwealth and the European Union are indeed most welcome, but does my right hon. Friend agree that the most effective pressure is likely to come from the creditors—both private and public—and from the region because, as he has rightly said, there is a real danger of destabilisation, a decline in investor confidence and a movement from the region of trained personnel who no longer see their future there, where their skills and that investment are desperately needed? Does he agree that at the forefront should be South Africa, which is the regional power that stands to lose most and is already a major creditor, particularly in terms of the debts owed by Zimbabwe to ESKOM, the power parastatal? Is he confident that President Mbeki is prepared to move from good offices and quiet diplomacy to rather harder and more effective pressure, given the likely adverse consequences for South Africa?

Mr. Cook: I welcome the recent statement by President Mbeki, well reported in the South African press, that there must be an end to the violence and the farm occupations. I have also noted the statement by the Deputy President of South Africa, Dr. Zuma, that the actions being taken in Zimbabwe are rather curious in that they are outside the constitution which President Mugabe himself helped to write. There is clearly growing pressure within South Africa, which is reflected in the statements of concern by its leading ministers about what is happening in Zimbabwe.

The situation in Zimbabwe is, of course, a powerfully legitimate national interest for South Africa. Zimbabwe is its major African export market. Already one car factory in South Africa has been closed, and collapse of the Zimbabwe market has been cited as the reason. It is very much in the interests of South Africa and of the other neighbouring countries that they assist us in resolving the political crisis in Zimbabwe, to pave the way for economic progress.

Mr. Menzies Campbell (North-East Fife): I welcome not only the fact that the Foreign Secretary has made a statement, but the terms of that statement, particularly the announcement of the suspension of exports of arms and arms-related equipment. Perhaps I might acknowledge the creativity of the Government lawyers, who seem to have found a solution to the contractual obstacles that some weeks ago apparently stood in the way of such a suspension. That is entirely welcome.

Do we not have to recognise the unpalatable fact that the United Kingdom acting alone has less influence over events in Zimbabwe than we should prefer, which makes yesterday's statement by the Commonwealth all the more important? Was it not entirely sensible to invoke the interests of the European Union when it was expected to make a contribution to the funds necessary for the redistribution of land?

I also agree with the Foreign Secretary when he acknowledges the fact that realism dictates that the greatest influence over Zimbabwe will come from its neighbours, such as South Africa, whose economy is already feeling the adverse effects of instability in the region.

Is it not a terrible indictment of the Mugabe Government that they have embarked on that provocation of unrest when inflation is at 50 per cent., unemployment is at 50 per cent., and there are estimates that 25 per cent. of the population may be HIV-positive? Would not a responsible Government be turning their attention to those problems?

Mr. Cook: I yield to the right hon. and learned Gentleman concerning his expertise in lawyers' creativity, which never ceases to amaze me. He is right to say that acting alone is less effective than acting together. In the past month, we have therefore pursued a conscious strategy of seeking to mobilise international opinion. We have had universal support wherever we have turned for support and assistance in the matter.

I personally do not regret that acting alone we are less effective than when acting with others. That precisely underlines the fact that the problem is not Britain's alone, and that, primarily, it is not even the international community's problem. Primarily, it is the problem of the Government of Zimbabwe. It is their responsibility to resolve the crisis that they face.

The right hon. and learned Gentleman eloquently recited some of the telling figures and statistics of the Zimbabwean economy, and he was right on every point. I should add that Zimbabwe is totally bankrupt in foreign exchange, which is why it currently has an oil shortage and why—with the price of the Zimbabwe dollar set at

[Mr. Cook]

a wholly unreasonable level in relation to international prices—it finds it difficult to persuade tobacco farmers to sell their tobacco. I agree with him that those are the real issues on which the election should be fought. I think that the truth is that President Mugabe and his Government are talking up the land reform issue precisely because they would rather not face those issues.

Mr. David Winnick (Walsall, North): Did my right hon. Friend see the report in a Sunday newspaper that thugs from the ruling party went into a town, savagely beat five active members of the opposition, and displayed those five people before the town, obviously to intimidate others? Two of the five people are reported to have died. Those deaths and beatings are, of course, in addition to the murders and the intimidation of the press that has been occurring in the past five months.

Although I recognise what my right hon. Friend said about the Commonwealth, if the situation continues as it is, will there not come a time when it is totally unacceptable for that country to remain in the Commonwealth? If it does remain in such circumstances, inevitably the question will arise whether, other than in the case of a military coup, countries should be entitled to remain in the Commonwealth regardless of events such as those in Zimbabwe, with all the beatings, killings and intimidation that are occurring there.

Mr. Cook: I absolutely share my hon. Friend's concern about the beatings that have taken place against those courageous enough to identify themselves with the Opposition. There have been reports of teachers beaten up in front of their class and the pupils invited to go home and tell their parents what happens to those who support the Opposition. Actions such as those are wholly inconsistent with even the basic beginning of the concept of a free and a fair election campaign.

My hon. Friend raised the issue of the Commonwealth. Yesterday saw the first meeting that the Commonwealth has held since the crisis began. Therefore, decisions taken yesterday were the first decisions. Sending the Secretary-General of the Commonwealth to express our deep concerns is very high up the escalatory ladder of Commonwealth action. However, I assure my hon. Friend that Britain is certainly not alone in the Commonwealth in our concerns. All the eight countries present yesterday share those concerns. They are widely held by members of the Commonwealth outside those who attended yesterday, and I do not believe that the Commonwealth will accept an outcome if its observers report continuing intimidation when they arrive.

Mr. Nicholas Winterton (Macclesfield): I have immense affection and regard for Zimbabwe and its people. It is a country which I know well, and I believe that it offers greater potential than perhaps any other country in Africa for progress in the southern part of Africa.

I endorse everything that the Secretary of State has said today. Would he not accept, however, that the holding of free and fair elections is already compromised, and that without the involvement of people such as police from other African countries or from South Africa, under the leadership of President Mbeki and his recently retired predecessor, the chances of holding free and fair elections are minimal? That would be a tragedy, and the result would not be to the benefit of all the people of Zimbabwe.

Mr. Cook: I welcome the hon. Gentleman's support, particularly as I know that he speaks from personal authority and experience. No reasonable person could disagree with the hon. Gentleman's proposition that a free and fair election has already been compromised by the events of the past month. We are anxious to deploy international observers as soon as possible to seek to deter further political intimidation and to see whether we can create fairer conditions in the run-up to an election. It will be for those observers then to report on what they see and on the conduct of the elections. They are very much wanted by the Opposition. I hope that we can deploy them as soon as we can get agreement from the Government of Zimbabwe, without which we cannot deploy them. I hope that the observers will produce a more balanced election campaign than the one that we have seen so far. They will be free to report on the outcome and we will consider their report very carefully.

Ann Clwyd (Cynon Valley): I, too, welcome what my right hon. Friend said about the sale of arms and associated equipment to Zimbabwe. How concerned is he about reports in African newspapers that the spares for Hawk aircraft sold by this country to Kenya are being re-exported from Kenya to Zimbabwe? Has he investigated this story and, if so, how does he propose to close that loophole?

Mr. Cook: I am not aware of the precise reports in the African newspapers to which my hon. Friend refers, but I shall certainly look into the matter and write to her about it. There is a serious problem that, in applying arms closures of the kind that we have previously applied to other countries, a black market springs up for the spares that already exist in large numbers around the world. I can therefore give no guarantee that the British Government can halt the supply of spares that are no longer within the control of the British Government or of British territory. However, I will happily look into the matter and consider whether a protest to the relevant Government would be appropriate.

Mr. Michael Howard (Folkestone and Hythe): Further to the first point raised by the right hon. and learned Member for North-East Fife (Mr. Campbell), will the Foreign Secretary now acknowledge that his welcome decision to suspend the licences for the export of military equipment to Zimbabwe gives the lie to the assurances that he has previously given the House in relation to licences for the export of military equipment to other countries, including Indonesia, that he had no such power to suspend such licences?

Mr. Cook: A welcome from the right hon. and learned Gentleman is always warmly received, even if it is rather grudgingly given. On the parallel that he makes, the fact of the matter is that we halted new licences to Indonesia during the embargo. Today, I announced that we are to stop all new licences.

Mr. Howard: For spares?

Mr. Cook: All new licences, whether for spares or for new equipment, will be stopped. There are between a

dozen and 20 existing licences only. Reviewing them is a totally different proposition from the 19,000 that we inherited from the previous Government when we took over at the general election.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): I, too, welcome my right hon. Friend's decision to ban any further exports of military equipment to Zimbabwe. Is he aware of any other country, in particular a European Union partner, that may be trying to sell Zimbabwe such arms or military equipment? If so, will he make representations to ensure that the embargo is as effective as possible?

Mr. Cook: I assure my hon. Friend, who has raised an important matter, that we will draw the attention of all our European Union partners to the decision that I announced today. Under the EU code of conduct, we would expect to be consulted by any partner country that is contemplating a sale to Zimbabwe, although I am not aware of any country that is doing so.

Sir Peter Emery (East Devon): The right hon. Gentleman is right to want to ensure that the whole House speaks with one voice in condemning the action that President Mugabe is taking. I am certain that that is the case—on both sides of the House and in all parties—and it is important that Mugabe should realise that.

Will the right hon. Gentleman take action on two fronts? First, will he clear up one matter? Were certain Ministers pressing Zimbabwe to go ahead with, or press for, a loan from the International Monetary Fund only a few weeks ago? What is the Government's position on that and on any other IMF lending that might go to Zimbabwe? Secondly, will he try to ensure that when the election comes, we get an absolute assurance that monitoring will take place with no restriction? The hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) and I were involved in monitoring the original elections in southern Rhodesia, which brought Mugabe to power. He and I know that, unless there is complete co-operation from the authorities, it is too easy to stop a proper and full monitoring exercise during the elections. It is imperative that we get an assurance that monitoring can proceed without restriction.

Mr. Cook: I am grateful to the right hon. Gentleman for his bipartisan approach to the issue. On the question about the IMF, I must put it on the record—because there have been claims in Harare that are unfounded—that although it has been claimed that Britain is making the existence of an IMF package a pre-condition of our support for land reform, that is not the case. We are prepared to go ahead with land reform without there necessarily being an IMF package. Having said that, Zimbabwe plainly needs such a package. It has no foreign exchange reserves, so there is a severe fuel shortage, which is holding back harvesting and economic progress. Therefore, although it is certainly desirable that Zimbabwe should obtain a package, to do so it must meet the full conditionality of any IMF support.

Finally, on observers and monitoring, we must have two separate categories in mind: international observers to oversee and report what is happening; and independent monitors at polling stations throughout Zimbabwe, who should mainly be local residents. We are willing to help with their training. The United States has already offered a considerable sum to assist in training monitors. Working together, they may be able to create the free and fair conditions that are desirable, but, together, they will need to add up to significant numbers.

Mr. Peter L. Pike (Burnley): Having led a Commonwealth Parliamentary Association delegation to Zimbabwe in 1998, I very much regret the rapidly deteriorating situation in that country. I also regret that my right hon. Friend has had to make this type of statement, although I obviously fully endorse and welcome everything that he said, given the unfortunate position. I am sure that he recognises that many people in ZANU-PF in Zimbabwe do not agree with the position that Mugabe is taking. Will he spell out a clear message that now is the time for those people to stand up against the leadership of the party and, perhaps, to lead a new party forward to fight the elections?

Finally, can my right hon. Friend be absolutely sure that the Commonwealth and European Union observers we send in will have the freedom and security to go all over the country—to rural and urban areas—to see that the election is free and fair?

Mr. Cook: I fully share my hon. Friend's concern on the latter point. On divisions in ZANU-PF, my hon. Friend is right to point out that, from the information available to us, many in that party understand that present policies will not restore the economic situation in Zimbabwe and are thus likely to contribute to further erosion of support for ZANU-PF among the people of Zimbabwe. Indeed, in the primary elections, the official candidate was deselected in eight constituencies. It says a lot for the style of ZANU-PF's leadership that they have ordered the primaries to be rerun until they get the right result.

Sir Teddy Taylor (Rochford and Southend, East): The Foreign Secretary and his colleague, the Minister of State, Foreign and Commonwealth Office, the hon. Member for Neath (Mr. Hain)—who was busy elsewhere at the time—will recall the discussions 20 years ago. Does the right hon. Gentleman accept the simple fact that the power of the British Government to influence events is virtually nil and that the action he proposes will merely give Mr. Mugabe a feeling of importance and significance that he does not deserve? Does he agree that the best course we can take to help the people of Rhodesia—[HON. MEMBERS: "Oh."]—of Zimbabwe is to concentrate aid and assistance in the Republic of South Africa to help its people to build up their freedom, liberty and prosperity so as to protect them against the consequences of the serious problems in Zimbabwe? Does he accept that trying to be the emperor of the world will not solve the problems of Zimbabwe and its people? That is something which he and his colleagues should have learned a long time ago.

Mr. Cook: With great respect to the hon. Gentleman, I shall try to maintain the calm and measured tone of the discussion so far. In my statement, I said repeatedly that the responsibility for this problem lies in Zimbabwe. The country has been independent for 20 years and its Government must accept responsibility for its present state.

Had I not made a statement to the House, I should have been open to fair and justified criticism from the House. There is immense interest in what happens in Zimbabwe

[Mr. Cook]

among the public and in the Parliament of Britain. Many people in Zimbabwe look with great care, and with some hope and anticipation, to see whether we share their concerns and whether we are worried about them.

Mr. Gordon Prentice (Pendle): How many British passport holders are there in Zimbabwe? Are contingency arrangements being made to receive them in this country, should the situation in Zimbabwe spin out of control? Is it part of Mugabe's grand plan to get rid of non-Zimbabwe citizens from his country?

Mr. Cook: We cannot be certain how many there are—especially as we should have to take into account those who held dual nationality and were not solely British nationals—but the number is large.

When I heard President Mugabe's speech this morning, I was struck by one of the most purple passages, in which he leapt on press reports of evacuation plans for 20,000 British citizens. He told his rally that Britain was prepared to receive those people and invited ZANU-PF to show them how to leave the country. I ask the House to take that as a warning. It does not help to calm the situation in Zimbabwe or to defeat President Mugabe for us to engage in alarmist talk about evacuations. Of course, we shall take our position seriously and we shall consider what we should do, but no Member of the House should encourage alarmist statements about mass evacuation.

Mr. Julian Brazier (Canterbury): I welcome the Foreign Secretary's comments on co-operation from other Commonwealth countries and the particular emphasis that he put on trying to secure free and fair elections in Zimbabwe—if that is still possible. However, if there is a continuation of the present programme of ethnic cleansing on the farms and of intimidation on the scale that appears to be going on in the country, does he agree that we may have to consider options that go beyond words and the cancellation of a few contracts?

Mr. Cook: We will take every reasonable and responsible step to make sure that our concerns are forced home, but I will not take actions that will be counter-productive and I will not take actions that the Opposition in Zimbabwe have asked me not to take. I suggest that the House listens to that advice.

Dr. Norman A. Godman (Greenock and Inverclyde): I agree wholeheartedly with my right hon. Friend's view that a fair system of land reform must include, among other things, a fair price for the farmer and a reduction in rural poverty, but for the farmers living through deeply distressing times, more than that is demanded, is it not? Farmers who feel compelled to sell their home and farm should be allowed to take their assets and equipment with them if they wish to farm in another country. I urge my right hon. Friend to ensure that any funding agreement for land reform gives that protection to farmers who wish to emigrate from that bedevilled country.

Mr. Cook: My hon. Friend raises some reasonable points. To the extent that we find ourselves funding such a programme if the conditions and circumstances arise, we shall have to consider whether the money is paid within or outside Zimbabwe. Many of the farms are mortgaged to the banks in Zimbabwe. A policy of confiscation without compensation will rapidly produce further financial ruin for Zimbabwe, and not just for the farmers.

Mr. Gerald Howarth (Aldershot): As one who visited Rhodesia in 1967 and who has albeit distant relatives farming out there at this time, I share the Foreign Secretary's view that what is happening is an absolute tragedy. As my right hon. Friend the Member for Horsham (Mr. Maude) said, Zimbabwe should be the jewel of Africa. I press the Foreign Secretary on the question of British aid for what he calls land reform, which is no less than the seizure—with or without compensation—of commercial, white-run farms. Given that those farms constitute one of the most productive assets of the Zimbabwean economy, and that they provide employment and security for a great many people in rural areas, how does the right hon. Gentleman believe that another penny of British taxpayers' money will benefit the rural poor? Before he agrees to another penny going down that particular plughole, will he tell the House what happened to the last slug of £44 million of British taxpayers' money and how much of the land that was taken from white commercial farmers and redistributed to Mugabe's cronies is now in productive use, and how much is lying fallow?

Mr. Cook: I am advised that about 3 million hectares have already been purchased under the land reform scheme, including £44 million that was provided from 1980 to 1990.

There is a real problem of poverty in the communal areas where there are people without land and it is widely accepted, and was not contested by the previous Government, that the programme for tackling rural poverty should include land reform on a fair and reasonable basis. As for farmers being forced to sell, 100 farms are already for sale. To be frank, many of those farmers would welcome a programme of land reform in which they could receive a fair price. It is bogus for the Government of Zimbabwe to pretend that they need further powers to force farmers to sell. There are many willing sellers. In the right conditions, they would welcome a programme under which those farms could be purchased.

Mr. Ian Bruce (South Dorset): To probe a little further the subject of land reform, can the Foreign Secretary tell us of any country where large, privately owned, productive farms have been improved by splitting them up and giving them to small farmers? I suspect that he cannot. So why does he keep promising that, with the right conditions, he will spend millions of pounds of British taxpayers' money to ruin the farming economy in Zimbabwe? Surely he should say now that it is a failed policy which should not go ahead, and that we should put any aid into genuinely helping the rural poor rather than promise the kind of things that the Communist party used to promise.

Mr. Cook: I think that I have to remind the hon. Gentleman that the Government have not put in a single penny to land reform purchases whereas the Conservative Government whom he supported put in £44 million to the

land reform programme. *[Interruption.]* As I hear from behind me, the landless poor in rural areas see that as the way forward.

I invite the House to step back for a moment. We have a perfectly proper international obligation to insist on the rule of law, to object when court orders are not carried out and to make sure that there is a free and democratic process for the people of Zimbabwe fairly to express their views. However, it not for us to say what the policies should be.

Mr. Graham Brady (Altrincham and Sale, West): President Mugabe first set this course of action a year ago and, last summer, I first raised the matter with the Foreign Secretary in the House. Why did it take until four weeks ago for the Foreign Secretary to meet the Secretary-General of the Commonwealth to discuss this issue, and why has it taken until today to suspend arms exports to Zimbabwe? Surely, the Foreign Secretary could have acted sooner and could have had a real effect on the situation before it reached the dreadful proportions that we now see.

Mr. Cook: On the question of when I saw the Secretary-General of the Commonwealth, I saw him four weeks ago, because he took up his post five weeks ago.

On arms exports, no licences have been granted by this Government for military equipment to Zimbabwe since the conflict in the Democratic Republic of the Congo began. We resumed, under strict conditions, licensing in February this year and we have again suspended it. I have to say that what we did in the period between October 1998 and February this year appeared to have no marked effect on the policy of the Government of Zimbabwe.

Mr. Nick St. Aubyn (Guildford): We all recognise how the breakdown of human rights in Zimbabwe affects all its citizens, but those of us with family members in the country are naturally particularly concerned about their safety and their future. Do the Government recognise a responsibility to advise those who have a right of abode in this country as well that, if the point is reached when their safety is threatened, they should come to this country? In the event of such a situation arising, do the Government agree that the first call on taxpayers' money should be not a land reform programme that would finally assimilate those Zimbabwean citizens into their society, but help for those who are forced out of that country against their will and who would regrettably have to return to this country? They would need assistance from this Government first.

Mr. Cook: Of course, the British Government take very seriously, and know full well, their responsibility to British citizens wherever they are. However, I gently say to the hon. Gentleman that I can think of nothing more likely to incite President Mugabe further to persecute British citizens than to say that we are ready to take them if the circumstances arise and that we will financially support them. Of course we will carry out our obligations, but I suggest to the hon. Gentleman that we should not use language that President Mugabe will use in a speech tomorrow.

Mr. Robert Jackson (Wantage): I warmly welcome the Foreign Secretary's statement, but will he continue to ensure that he does whatever he can to avoid enabling President Mugabe to turn this debate and controversy into a battle between Britain and himself, because that may help him in his election?

Mr. Cook: I very much share the hon. Gentleman's objective. In everything that I have said, I have sought to make it clear that, although we have problems with the policies of President Mugabe and in particular with his adherence to the rule of law and democratic process, we are a friend of the people of Zimbabwe. In all that we do, we want to make sure that we assist them.

Mr. John Bercow (Buckingham): What assessment has the Foreign Secretary made of the cost of Zimbabwe's external troop deployments, notably in Zaire? Was that matter discussed by Commonwealth Ministers and would it be a material factor in the thinking of the right hon. Gentleman in deciding whether the Government should support—and, if so, to what tune—land reform in Zimbabwe?

Mr. Cook: The cost of the Zimbabwean Government's actions in the Democratic Republic of the Congo is substantial. It is a point which we have repeatedly raised, and Britain was the only donor present at the 1998 conference in Harare to express concern about that and to say that the removal of that cost would assist in creating the economic and social conditions necessary for progress in Zimbabwe. I also raised the point with the delegation when it was here last week.

Point of Order

4.19 pm

Mr. Ian Bruce (South Dorset): On a point of order, Madam Speaker. I seek your guidance on whether Members of Parliament are exempt from the various electoral offences legislation. You will have noted that the hon. Member for Don Valley (Caroline Flint), when asking a question to the Prime Minister, sought to give the House information about an on-going count taking place in her constituency. We read every time that we go to a count that it is an electoral offence to give information about the number of people who voted, or how they voted, until the electoral returning officer has made a declaration. I seek your guidance on whether such information should be made available in the House.

Caroline Flint (Don Valley) *rose—*

Madam Speaker: Order. It is a point of order for me. Let me deal with it. The comments to which the hon. Member for South Dorset (Mr. Bruce) refers were made as part of proceedings in Parliament.

Children's Rights Commissioner

4.20 pm

Mr. Hilton Dawson (Lancaster and Wyre): I beg to move,

That leave be given to bring in a Bill to provide for the establishment of a children's rights commissioner to promote the rights and interests of children in England; to make provision for the powers and duties of the commissioner; and for related purposes.

Madam Speaker: Order. I believe that the hon. Member for South Dorset (Mr. Bruce) did not advise the hon. Member for Don Valley (Caroline Flint) that he was going to raise a point of order that concerned her, although she happened to be in the Chamber at the time. It is usual to tell an hon. Member that he or she will be referred to on a point of order.

Mr. Ian Bruce: Madam Speaker, I have been in my place throughout.

Madam Speaker: Order. The hon. Gentleman might have informed the hon. Lady on another occasion. He usually observes the courtesies of the House, and that is why I remind him of them on this occasion.

Mr. Dawson: On Monday, we had a gang of fools outside the House throwing around hate, obscenities and their weight. They were telling us how radical they are. It was pathetic nonsense. It is the Bill that is properly radical.

The Bill is founded on an understanding of something that all of us as adults are tempted to ignore, and that is that children are powerless and have no voice. It is easy to ignore children and put them aside. At best, we often treat them as objects of concern rather than human beings with rights and a developing sense of who they are and who they want to be.

Children are the hope of the world. There are good people on both sides of the House who care about their well-being and who want to help, but children are still ignored and abused in one of the richest countries on earth. Millions are undone by poverty. They are undermined by restricted opportunities, crummy services and poor and sometimes downright neglectful parenting. As a result, some die. Many prosper and do well, but many more just get by and get through. We could do so much more for all of them and with all of them.

It is a good Bill, but I had no hand in its creation. It was drafted by Peter Newell, a leading advocate for the human rights of children. Thanks to the National Society for the Prevention of Cruelty to Children and 100 children's organisations which support it, I am able to claim that this is the best supported ten-minute Bill of this Parliament, and perhaps of many previous Parliaments.

Thousands of people have contacted hon. Members about the Bill. Every hon. Member must have received at least one letter from a constituent asking him or her to support it. Its time has truly come. The Government have great ambitions for children and I believe that they could bring things about. This is a year of terrific progress because we now know what the Government are going to do in Wales. That is good for Wales, the Welsh Assembly and for Sir Ronald Waterhouse.

I am delighted that the Government have said that they are to bring forward an amendment to the Care Standards Bill and introduce further legislation to ensure that all children in Wales have access to a commissioner for children. However, the issue is fundamental and of overwhelming importance to all children in the United Kingdom, as well as to the concepts of citizenship that the Government and every Member of this place should be keen to promote.

We shall fail all the 13.2 million children in the United Kingdom if we do not understand that rights and the necessity for an independent body to promote those rights are as important in relation to children as they are in relation to race, equal opportunities and disability.

Children are powerless by definition because they have no vote. The one simple message from the grim succession of child abuse inquiries is that children have no voice. Until we truly hear what children are saying to us and until we have a children's champion—a commissioner for children's rights—we shall continue disregarding them and repeating the mistakes of past.

As a social worker with children, I supported the proposal for many years and have continued to pursue the matter since arriving in the House of Commons three years ago. I am humbly aware that colleagues—many of whom are in the Chamber and have been here much longer than I have—have been assiduous in pursuing the matter over the past decade. The 1992 Labour manifesto proposed having a commissioner, and the post has been recommended by successive Health Committee reports, most recently in 1998. Whenever they can, colleagues on both sides of the House raise the matter.

The proposal for a children's rights commissioner is the epitome of joined-up Government and would be a proper foundation for modern services for children based on our commitment to the United Nations convention on the rights of the child. The commissioner would promote the participation of children and young people in society in future. He would analyse the impact of Government policies on children and would provide the ultimate backstop to ensure that systems designed to protect children do not let them down.

The commissioner would need real power to investigate and undertake public inquiries, produce his own reports and require that he is consulted. He would also need power to insist that Departments and other bodies issue child impact statements on policy proposals and to ensure that he is involved in the reporting obligations of Government under the UN convention on the rights of the child.

I have heard only one Government criticism of the proposal, which is that it would be bureaucratic. On the contrary, the post of children's rights commissioner would be exciting, challenging, enabling and empowering.

Ideally, a children's rights commissioner for England would have linked offices in Northern Ireland, Wales and Scotland. The post would be statutory and would have good links with Government at Westminster and in devolved areas. The commissioner would, above all, be known to every child in the land, and he would commission surveys and research and listen to children. He would help to develop structures at every level to enable children to participate in decision making. He would represent their views at the highest level, scrutinise the impact of proposed policies on children, consult them and ensure that their voices are heard.

The commissioner would have a small staff. It would be impossible and, indeed, inappropriate for him to take on the problems of every troubled child. However, he would have a crucial role in ensuring that existing systems work and that children do not fall through the net. He would have a good link to organisations such as Childline and could use his position as a figurehead to ensure that children who turned to him got the appropriate help at the proper level.

I congratulate the Government on the establishment in the Care Standards Bill of a children's rights director, who will have responsibility for the 55,000 children in local authority care and the 150,000 living away from home in residential and boarding schools. That is an important step, and the director will perform a vital role which, however, should not be confused with that of a commissioner for all children. Indeed, it should not be characterised as such.

All children need to be listened to and have their rights protected. That is not an attack on parents, all of whom should be firm advocates of children's right to question how we look at the world and assert their ideas of how things should be.

The Care Standards Bill will soon come before the House and, along with the necessary amendments and subsequent legislation, will ensure that children in Wales will be on a par with children in Austria, Denmark, Iceland, Norway, Spain, Sweden, Australia, British Columbia, New Zealand and South Africa. Why cannot that be the case in England and the rest of the United Kingdom?

A children's rights commissioner could help to change how we relate to children and engage with them properly as citizens of tomorrow rather than the passive objects of our concern. The Government have vision, and commitment to fundamental change would be praised by all those NSPCC letter writers, all the supporters of the 100 child care organisations throughout the land and millions of decent people across the United Kingdom. Even more important, it would be praised by those adults of the future who, having grown up with a children's rights commissioner, would look back on its creation as a great reform—one that equipped them to express themselves more articulately and to challenge more effectively than Monday's mob outside.

Question put and agreed to.

Bill ordered to be brought in by Mr. Hilton Dawson, Mrs. Llin Golding, Mr. Alan Simpson, Mr. David Drew, Mr. Paul Burstow, Angela Smith, Mrs. Betty Williams, Mr. Mark Todd, Mr. Ian Stewart, Mr. Russell Brown, Ms Julie Morgan and Charlotte Atkins.

Children's Rights Commissioner

Mr. Hilton Dawson accordingly presented a Bill to provide for the establishment of a children's rights commissioner to promote the rights and interests of children in England; to make provision for the powers and duties of the commissioner; and for related purposes: And the same was read the First time; and ordered to be read a Second time on Friday 9 June, and to be printed [Bill 119].

Orders of the Day

Finance Bill

(Clauses 1, 12, 30, 31, 59, 102 and 113)

Considered in Committee [Progress, 2 May].

[MR. MICHAEL LORD *in the Chair*]

Clause 31

CHARGE AND RATES FOR 2000–01

Question proposed, That the clause stand part of the Bill.

4.30 pm

Mr. Edward Davey (Kingston and Surbiton): I rise to oppose clause 31, not only because the Liberal Democrats reject the clause, but because we reject the Government's whole strategy on the nation's income tax system. We want to use the debate both to focus on our long campaign for more investment in our schools paid for out of income tax, with which I shall deal later, and to argue that the Government's whole approach to the personal tax system lacks a coherent strategy.

The Government need to go away and think again. They should not be given statutory cover to collect income tax in the coming year unless Ministers produce on Report a new clause or clauses that address three issues. First, they must revisit their policy of never raising the basic rate of income tax. The Government might say that that was an election pledge, but they did not pledge to cut income tax, which they have done, thus depriving our schools, hospitals and public services of much-needed funds. They should reject that policy, not only in the context of funding public services, but in the context of managing the economy—to enable investment to be made at a time when the economy is growing quite strongly.

Secondly, we believe that the Government need to go away and think about how they are adding unnecessary complications to the income tax system. They promised to simplify that system, but they have done the opposite. That lays unnecessary burdens on business and on individuals, especially those who have low incomes, who are least able to understand the complexities of the system and least able to afford professional advisers to help them to fill in their tax return.

Thirdly, we believe that Ministers must design the income tax system to help to produce a fairer society. The 10p tax rate set out in the clause is a gimmick. Without more serious reform of the tax system, at the bottom and at the top end of the scale, we shall not produce the sort of social justice that Labour talks about, but has done far too little to bring about. So, there are three major charges of failure in the approach to the income tax system that the clause fails to put right.

I shall start with the charge that the Government are obsessed—in the way that the Conservatives were—with cutting the basic rate of income tax. There are three reasons why Liberal Democrats oppose the cut proposed in the clause. The first is our belief that more resources should be made available to schools.

The Government's record on investment in education is very poor. They promised—this was a pledge in their election manifesto—that

> Education will be our number one priority, and we will increase the share of national income spent on education as we decrease it on the bills of economic and social failure.

However, assuming a spring or early summer election in 2001, the amount spent on education as a proportion of national income will have fallen by the end of this Parliament. On current projections, that spending will be 4.6 per cent. of gross domestic product compared with 4.7 per cent. in the last year under the Tories and 5 per cent. for the whole of the previous Parliament. How can the Government claim to be delivering on their education pledges when there will be a reduction in the amount that they have made available?

The Government claim that they are providing a huge largesse of £19 billion in the first comprehensive spending review, but when one looks at that figure and takes account of inflation and of double and triple counting, one finds that the figure falls to a mere £6.1 billion. When one strips out the permissions to spend, which are not real resources provided by central Government, the figure falls to just £3 billion. That is not sufficient. It is outrageous for a Government who say that education is at the top of their agenda to be spending more in the coming financial year on income tax cuts than on extra resources for our schools.

I have visited primary and secondary schools since the Budget asking how they look on the extra cheque that they have received from the Secretary of State for Education and Employment. Of course they welcome any extra funding—who would not?—but that money is filling the deficits that they have run up. It is not providing any new resources such as more books and teachers. That is not the sort of investment that people expected the Government to provide. It is no wonder that class sizes are going up.

The Government talk about reductions in class sizes for five to seven-year-olds, but the average class size in secondary schools is now higher than at any time in the past 20 years—failing education. We find that schools are having problems recruiting teachers and that the number of teacher vacancies has risen by 15 per cent. since last year—47 per cent. higher than in 1997. Are the Government happy with that? Why are they not putting resources into that key area?

In a survey by *The Times Educational Supplement* in January, seven out of 10 parents said that they were prepared to see income tax increase in order to fund improvements in schools. The people—the electorate—are saying to the Government that they have their priorities wrong in putting income tax cuts above the future of our children.

The second reason why we are against the income tax cut in the clause is that it constitutes irresponsible economic management. On Budget day and in the Red Book, the Chancellor tried to pretend that he was not giving so much to public services and that there was not any extra money. He was trying to massage the figures so that they appeared lower by making them opaque. Although an extra £9 billion-worth of public spending is planned not for this coming financial year, but for the year after, the Chancellor was not happy to announce it. Why? The real reason why he was not prepared to sing the

praises of the ability to find that extra money—we believe that it was an achievement—is that he was worried about how the markets would react to greater public expenditure.

The markets are of course right to be worried about a loosening of fiscal policy represented by public expenditure increases that are not covered by taxation. That is why income tax plays a crucial role in managing the economy. If, as we believe, vital investments are needed in our schools, colleges and universities, and if that is constrained by the markets' perception of the management of the economy—the fear that fiscal policy is becoming too loose—it is surely right not to cut income tax in such an economic climate. One must ensure that the extra expenditure to be directed into our schools will be covered by taxation. It is a political and economic choice, which the Government are failing to make.

The third reason why we are against the income tax cut is that we believe that the Government are being dishonest about taxation. In fact, they have raised the tax burden substantially in this Parliament, but it is pointless to look for changes in the personal tax system to see where that increase has occurred. There has been no open, honest, up-front approach to raising taxes. The Government have found 101 wheezes, through indirect and corporation taxes, to hide the increases in the tax burden. That is plain dishonest.

The Government ought to be making the political case for extra investment in our public services. They should not rely on stealth taxes, as the Conservatives are right, in part, to criticise the Government for doing. We believe that that devalues the vocabulary of politics, and that the Government should be more honest and use the income tax system to achieve their objective.

Mr. Nigel Beard (Bexleyheath and Crayford): I thank the hon. Gentleman for giving way. He says that more tax should be raised for public services. How much more? The Liberal Democrats always make the case for raising expenditure, but what is the limit? It seems to be an indefinite amount.

Mr. Davey: The hon. Gentleman seems not to have seen the alternative Budgets that we publish every year. They set out our public expenditure plans in detail, covered by taxation. Of course, there is a limit on the amount of tax that can be taken from our electors.

Mr. Beard: What is the limit?

Mr. Davey: In each year, the amount will be different. That follows the logic of my argument.

Mr. Beard: What is the amount this year?

Mr. Davey: We published our alternative Budget this year, in which we stated that we would not go ahead with the 1p cut that is the subject of the clause, and that we would direct the resources into education, which would have meant up to £3 billion more going into education than the hon. Gentleman's Government are putting into our schools, colleges and universities. He should come over to our point of view, if he believes that education should be the top priority.

The second reason why we oppose the Government's income tax strategy is that they are making the system far too complicated. The complexity that they are introducing has a real cost. In the business sector, the compliance costs are going sky-high, particularly for small businesses. In the personal income tax system, the costs, which are more difficult to measure, are high on individuals.

It appears from the clause that the income tax system is not particularly complicated. Three income tax rates are set out, which look relatively simple. However, when one takes into account the various income tax changes that the Government are making, one finds that there are six effective direct tax rates in the tax system. There is a 10 per cent. effective tax rate, a 20 per cent. rate, a 33 per cent. rate, a 23 per cent. rate, a 46.66 per cent. effective tax rate and a 40 per cent. tax rate.

Mr. John Burnett (Torridge and West Devon): Let us not start on capital gains tax.

Mr. Davey: My hon. Friend is wise to say that, as the rates are even more complicated. Just in terms of income tax, the Government have made the tax system far too complicated. Many people—small businesses, representatives of pensioner groups, the various tax professional bodies—are perturbed by what is going on. They see the tax system as an asset of this country, and realise that it needs to be managed carefully. By making it more complicated, one reduces and devalues the asset. In an era of self-assessment, when we should be moving in the opposite direction, the Government are making a huge error by complicating the tax system.

4.45 pm

First, the Government should reduce the number of rates. They could start by cutting the 10p rate to 0 per cent., paying for it with a higher rate on incomes above £100,000. People on those higher incomes can afford the professional advisers to assist them in filling out the forms, but pensioners and others on lower incomes cannot. If the Government want complexity, better that it should be at the higher than at the lower end. That would mean that we could simplify the Finance Bill by doing away with clause 32, which introduces a 10p rate on income from savings.

The Government could also look again at a proposal that I made during the Report stage of last year's Finance Bill to help pensioners with no income tax liability who, under current legislation, are required to fill out self-assessment forms. Thousands of pensioners who are not liable to income tax have to worry about tax returns and the Government have to pay for the bureaucracy. It is ludicrous that the Government should be making the tax system more complicated.

The Government should also push ahead with some of the reforms contained in the Taylor report which the Government rightly commissioned in their first year in office. That report considers how to integrate national insurance contributions with the income tax system. However, the Government have implemented only some of the reforms suggested by Mr. Taylor and his colleagues.

Mr. John Bercow (Buckingham): The hon. Gentleman is right to inveigh against the Government for the tax

[Mr. John Bercow]

system's increased complexity, but I hope that he will not use that as a cloak to advocate higher income and other tax rates, given that the Liberal Democrats' notion that a 1p increase in the basic rate of income tax as the means by which to finance all their spending commitments has been comprehensively discredited. By how much does the hon. Gentleman believe that the top rate should be raised, and what overall increase does he propose in the already burdensome level of business taxation?

Mr. Davey: I am rather surprised by the hon. Gentleman's intervention. He usually follows what is said with great care and does his homework with respect to other party's policies, but in this case he has failed to do so. I just mentioned that we advocated a 50 per cent. rate on incomes above £100,000, and I told the hon. Member for Bexleyheath and Crayford (Mr. Beard) that, before the Chancellor's Budget, we published an alternative budget detailing all our tax proposals. The hon. Gentleman should pay more attention.

If the Government want to tackle the problems of complexity, they should consider some of the proposals from bodies such as the Institute of Chartered Accountants, which asks that some principles should underlie the direction of income tax and personal tax policy more generally. Its recent document contains 10 tenets and argues for a code of fiscal simplicity, perhaps to go alongside the Government's welcome code for fiscal stability, setting some real objectives to ensure that, year on year, the overall tax system is made more comprehensible for the ordinary personal taxpayer and the compliance costs for the personal sector are reduced.

Mr. Burnett: Liberal Democrats will doubtless praise parts of the Finance Bill. On the whole, we are pleased to see the advent of the tonnage tax. But is my hon. Friend surprised that the Finance Bill has 44 pages on the introduction of the tonnage tax?

Mr. Davey: My hon. Friend makes a good point. We debated that matter at some length on Second Reading. The Bill is littered with extra complexities. My point on clause 31 is that the Government are not reducing the complexity of the income tax system. They promised simplicity, but they have failed to deliver that.

I shall outline my final reason for our opposition to the clause. The Government have argued long and hard, before and after the general election, that they believe in social justice. They argue that their reforms of the tax and social security systems are meant to promote social justice. Yet clause 31 provides for a tax cut, which will benefit the richest 20 per cent. of our population fifty times more than the poorest 20 per cent.

A 1p cut in income tax gives far more to the wealthiest in our society. Perhaps it would be more acceptable if the Government had accompanied it with some sort of package to help the poorest pensioners and those who are less well off. However, the cut is accompanied by an increase of 75p a week in the basic state pension. It is therefore not surprising that pensioners throughout the country are incredibly dissatisfied with the Government. They do not believe that the Government are fulfilling the promises that they made to pensioners at the last election.

Mr. Bill Rammell (Harlow): To clarify matters, will the hon. Gentleman remind us of the Liberal Democrat commitment in the party's general election manifesto on raising the basic pension? Was not it to increase the basic pension in line with prices--that is, by 75p a week?

Mr. Davey: Again, I am surprised that hon. Members have not read our most recent publication, which is our alternative Budget. The proposals in the current Finance Bill were not in the Labour party's manifesto; all our current proposals did not appear in our manifesto. Time moves on. I am more than happy to take on the hon. Member for Harlow (Mr. Rammell) about that subject. Liberal Democrat Members and our colleagues on these Benches are determined to push the case for pensioners and for an increase in the basic state pension that is far greater than a measly 75p a week. Large increases should be made in the pensions of the most elderly people, the over-75s and the over-80s. We should target resources at the most elderly people, who need our support.

Mr. Rammell: Will the hon. Gentleman give way on that point?

Mr. Davey: No, I shall not. Let us consider the wider community. The Government claim that the 10p tax rate, which the clause reaffirms, somehow helps the lowest paid. Yet every independent commentator, from the Institute for Fiscal Studies to the Institute of Chartered Accountants, can readily show anyone who is able to do basic arithmetic that cutting the 10p rate to 0 per cent. and setting a larger personal income tax allowance directs far more resources at the lowest paid.

Again, the Government make a political mistake. They take the rhetoric of the Conservative party and play a political game with our income tax system. If they were more interested in social justice, they would focus resources, not rhetoric, on the lowest paid.

Mr. Bercow: Despite the hon. Gentleman's rude remarks about me, I always enjoy listening to his speeches. A few moments ago, he said that relatively well-off wage earners had access and a desire to use accountants' services to minimise their tax burden. What assessment has he made of the likely use of those accounting services as a result of the proposed introduction of his 50 per cent. top rate, which would damage the tax take? While he deals with that point, will he confirm that because he believes that any cut in the basic rate of tax always disproportionately benefits higher wage earners, regardless of the basic rate of tax, he would always oppose any reduction in it?

Mr. Davey: It has never been the Liberal Democrats' position to oppose any reduction in income tax. The key issue that we must debate as politicians is the balance between tax and expenditure and whether we believe that the people we represent have the services that they want. If the hon. Gentleman asked his constituents who use the health service and the state education system, and have to rely on the police services and the emergency services whether they were satisfied with public services, the answer would probably be no.

We need to invest in the public services to achieve the quality that exists in some of our continental neighbour countries and other parts of the western world. There is appalling underinvestment in some of our public services. Public servants are trying their very best to provide

quality services and, because the previous Conservative Administration and the Government have failed to make that investment, my party favours putting investment ahead of tax cuts.

Mr. Bercow: Raising taxes.

Mr. Davey: We would not proceed with the cut from 23 to 22 per cent. under the clause. I do not think that I could make that clearer for the hon. Gentleman. He also mentioned the accountancy profession. It advocates some of our policies, which would make the tax system far simpler. If they could be implemented, the relatively few taxpayers who would have to face the 50p rate that we propose would not present a problem.

Liberal Democrats reject the clause. We ask the Government to reconsider their income tax strategy and introduce proposals that would deal with the issues that we have discussed this evening: the need to ensure that investment in public services is put ahead of tax cuts; the need to make our tax system more comprehensible, simple and easy to use for the average citizen in an age of self-assessment; and to produce an income tax system that promotes social justice.

Mr. Andrew Welsh (Angus): I agree with much of what the hon. Member for Kingston and Surbiton (Mr. Davey) says on a better general approach to fairer taxation and a proper rate of public investment. The debate is about three issues: the Government's approach to taxation and our tax structure in general, the proposed income tax rates and the balance between tax rates and public spending.

On the tax structure, there is little doubt that there has been a shift towards indirect taxation by the Government. According to research from the Institute for Fiscal Studies, more than 40 per cent. of the changes in the Chancellor's previous Budgets were made to indirect taxation. As hon. Members will know, indirect taxation is regressive; it hits those on lower incomes disproportionately harder. What the Chancellor gives with one hand—for example, the welcome increase in child benefit—he takes away with the other in indirect taxes.

The Government should pay particular heed to another element of the IFS report, which showed that changes in indirect taxation have had the most pronounced effect on those in lower income groups. The lowest income decile has lost almost 2.5 per cent. of its net income, compared with a 0.7 per cent. reduction for those in the highest income group.

The Scottish National party asks the Chancellor to consider reversing the trend of holding a Dutch auction on income tax funded by stealth tax hikes towards making the tax structure fairer and more transparent. The SNP recognises the need for a clear strategic shift of the tax burden from indirect to direct taxation methods. Such a review is necessary to consider new ways in which to promote transparency, accountability and simplicity in the tax system.

The Bill continues a dishonest tax policy, which was largely introduced by the Conservative party, but, like so much else, is now enthusiastically embraced by new Labour. The Government are trying to deceive taxpayers with a 1p cut in the basic rate of income tax on one hand and billions of pounds of invisible, indirect taxes on the other. However, I am happy to report that recent by-election results show that, in Scotland at least, the voters are becoming wise to that trick. In Hamilton and Ayr, they made it clear that the time has come for Labour to start delivering its election promises and that they are frustrated by the Government's failure adequately to address the core issues—health, education and poverty. The message, which I pass on to the Government, is that spin is not enough; substance is required.

The people of Scotland are making it clear that their priorities are for new resources for our public services, which have suffered from more than 20 years of under-investment. We in the SNP have nailed our colours firmly to the mast of fair taxes and real investment in vital public services. Today, I simply repeat our opposition to the needless cut in the basic rate of income tax proposed in the clause.

5 pm

Our public services are still in need of substantial investment, and, although the spending increases announced in the Budget were welcomed by the SNP, they are insufficient to deal effectively with the significant problems affecting our crumbling schools, hospitals and infrastructure. The additional spending must be seen against a backdrop of spending cuts in the first three years of this Labour Government.

Health spending in Scotland is due to increase by £173 million next year, but let me put that in context. Scottish hospitals are expected to be £50 million in deficit by the end of the current financial year, and nearly all trusts are expected to miss their waiting-list targets for this year. The Government's higher-than-inflation pay rises must be found from already stretched NHS budgets at a cost of some £449 million a year, which means that the additional money will just about allow the health service in Scotland to stand still, never mind move forward and provide improved services. In fact, it was reported today that Scotland's only heart transplant unit may be forced to close.

According to the Secretary of State for Scotland, Scotland will receive £86.6 million of the additional £1 billion announced for education next year. That should be seen in the context of the cuts that Labour has imposed at local authority level. Next year, local authority education funding will be £540 million lower than it was even in the last year of the Conservative Government. All that stems from the Government's taxation philosophy, and the policies that they are imposing. Any increases in education spending will be swallowed by cuts already imposed on our schools.

A total of £15.9 million is being allocated to Scotland's transport. That, too, must be seen against a backdrop of cuts in the transport budget, which next year will have £100 million less than it had in the last year of the Conservative Government. Scotland's road infrastructure clearly needs more investment. For example, full implementation of the strategic roads review in Scotland would cost £800 million a year, and the much-needed rail link between the Scottish borders and Edinburgh would cost £30 million.

In short, this is not a time for tax cuts. Spending in Scotland as a percentage of gross domestic product is even lower than when the Conservatives were in government. That is not what those who voted Labour in

[Mr. Andrew Welsh]

Scotland expected, but that is what has been delivered. Our pensioners must make do with a pathetic 75p increase in state pensions, and local authority budgets are being slashed year after year. The Government are pursuing a Tory tax-cutting agenda, at the expense of our nation's public services.

What is required is a longer-term strategy much more suited to Scotland's actual needs, and built on a fairer, more open, accountable tax system—something that this new Labour Government, and the Budget in particular, do not deliver. There will be a cost to the Labour party in future years.

Mr. Richard Ottaway (Croydon, South): There could be no clearer contrast between the approaches of the Scottish National party and of the Liberal Democrats. Although I did not agree with a word of what was said by the hon. Member for Angus (Mr. Welsh), at least I was clear about what he stood for. However, when the hon. Member for Kingston and Surbiton (Mr. Davey) was asked what I considered a perfectly clear question—how much more would the Liberal Democrats like to be done in terms of public expenditure and taxation?—we were given no clear answer. The hon. Gentleman said repeatedly that we should know about that, because it was in Liberal Democrat manifestos and other publications. I must confess that I have never seen a Liberal Democrat Budget proposal, a Liberal Democrat manifesto or a Liberal Democrat policy document. Perhaps the Liberal Democrats will include me in their distribution lists in future, so that I have some idea of what they are talking about.

Mr. Edward Davey: The Liberal Democrats publish their alternative Budgets at press conferences, which are often attended by a gentleman from Conservative central office. Can the hon. Gentleman tell us when, during the present Parliament, the Conservative party has published its tax and spending proposals as the Liberal Democrats have, and what spending cuts the Conservatives propose to meet their tax guarantee?

Mr. Ottaway: We have not published a tax and spending programme. We will do so before the next election, but one thing is for sure: we will campaign on a tax-cutting agenda because, if a party has the will and commitment to cut taxes, it can do so. That is what will differentiate the Conservative party from the other three parties that are represented here today.

Mr. Davey: Which of the public expenditures will the Conservative party cut to pay for those tax cuts?

Mr. Ottaway: First, I do not accept that we have to cut spending to cut tax. Secondly, we will let the hon. Gentleman know in due course and with absolute clarity exactly what our plans are. He said that the Conservative party was obsessed with tax cuts. Frankly, it is a worthy objective to reduce taxation.

Mr. Beard: Why is tax cutting such a worthy objective if it puts in jeopardy the national health service and state education for the coming generations?

Mr. Ottaway: I do not accept that we have to reduce expenditure on the health and education services to cut taxes. It is a worthy objective because Britain lives in a competitive world and, as we will find out in the next debate on IR35, it is Britain's competitive position that creates the prosperity that pays for the health service and education.

Mr. Beard: When the hon. Gentleman's party was in government, it pursued an economic policy of competing internationally on the lowest costs. The present Government's policy is to compete through high added value and a highly skilled population, which demands high spending on education.

Mr. Ottaway: I do not quarrel with that, but I do quarrel with the hon. Gentleman's assumption that the previous Government worked on the lowest possible cost. That is not true and he does not have the evidence to prove it.

Basically, at heart, those who oppose the clause want the Government to tax more and to spend more. That is the clear position of both parties. The hon. Member for Angus accused the Government of engaging in a Tory tax-cutting agenda. Nothing could be further from the truth.

The Committee would benefit from examples of tax-raising measures since May 1997. In the July 1997 Budget, mortgage tax relief was restricted to 10 per cent., stamp duty was increased for property transactions of more than £250,000 and payable tax credits on dividends were abolished. It introduced the windfall tax, abolished relief for private health insurance for the over-60s, increased road fuel duties by 6 per cent. in real terms, and tobacco duties by 5 per cent. in real terms.

The 1998 Budget abolished advance corporation tax and introduced the quarterly payment of corporation tax, restricted the married couple's allowance to 10 per cent. from April 1999, increased stamp duty again for property transactions of more than £250,000, increased tobacco duties by 5 per cent., and road fuel duties by 6 per cent. and advanced the date of the road fuel duty increases.

The 1999 Budget abolished the married couple's allowance for the under-65s from April 2000, abolished mortgage tax relief, increased insurance premium tax from 4 to 5 per cent., increased stamp duty for property transactions of more than £250,000, increased tobacco duties by 5 per cent., and road fuel duties by 6 per cent. It advanced the date of the tobacco and fuel duty increases, extended employers' national insurance contributions to all taxable benefits in kind from April 2000 and increased company car taxation.

This year's Budget increased tobacco duties by 5 per cent. in real terms, increased stamp duty on property transactions over £250,000, introduced the aggregates tax from April 2002 and increased tax on wine by more than the rate of inflation. There have been no fewer than 26 tax increases since the 1997 general election, so the next time that Labour Members start hollering about 22 tax increases—most of which are fabrications—under the previous Government, I suggest that they take a close look at my list and the 26 tax increases over the past three years.

Mr. Geraint Davies (Croydon, Central): Will the hon. Gentleman give way?

Mr. Ottaway: No—*[Interruption.]* I did not catch what the hon. Gentleman said.

Mr. Davies: I thought as much.

The Second Deputy Chairman: Order. The hon. Member for Croydon, Central (Mr. Davies) has only just entered the Chamber. I remind the hon. Member for Croydon, South (Mr. Ottaway), who has just given us a long list of different kinds of tax, that the debate is specifically about income tax.

Mr. Ottaway: I am pointing out that the Government can reduce income tax by 1 per cent. only because they have imposed 26 other tax increases. I did not give way to the hon. Member for Croydon, Central (Mr. Davies) first, because he has only just entered the Chamber and secondly, because every time I have given way to him, what he has said has been total and absolute rubbish, so it is not worth giving way to him.

Mr. Davies: You are a small man.

Mr. Ottaway: I am a bigger man than you.

The Second Deputy Chairman: Order. Perhaps we might continue in a slightly more sensible way and address the important matter before the Committee.

Mr. Ottaway: Of course I bow to your wishes, Mr. Lord.

The list of taxes that I have just read out provides transparency in respect of the 1 per cent. reduction in income tax. The Liberal Democrats and the SNP have got what they wanted. They have got tax increases and increased expenditure, so it is nonsense for them to oppose the clause. For the same reason, we shall not oppose it tonight.

The Paymaster General (Dawn Primarolo): In responding to this brief debate, let me turn first to the comments of the hon. Member for Kingston and Surbiton (Mr. Davey). I was not surprised that the hon. Gentleman does not agree with the Government as, presumably, if he did agree with us, he would be on the Government side of the Chamber, changing things, instead of sitting on the Opposition side of the Chamber, dreaming of irrelevancies.

The hon. Gentleman went on about complexity and fairness, so I would remind him of a few points. He talked about complexity causing problems with the system and about self-assessment. Only 9 million out of 28 million taxpayers pay through the self-assessment system. He was not suggesting that everybody should complete a self-assessment form and he recognises that most people do not. He then complained about the complexity of the system and proposed that we should introduce a 50p rate of tax for income over £100,000 and that that would fund a zero-rated band rather than the 10 per cent. band in the clause.

The Liberal Democrats and the hon. Gentleman who spoke on their behalf cannot complain about complexity and say that the tax system confuses people and then make such a proposal. It is difficult to see how a new rate of tax in addition to a personal allowance would make the system easier to understand.

The hon. Gentleman then said that, if the 1p reduction were part of a package of measures in respect of fairness and help to the low-paid, perhaps the Liberal Democrats would take a different view. I shall return to that point.

The hon. Gentleman also said that the system should be fairer for pensioners. As I think that he will know, four out of 10 pensioners are able to pay tax. I think that he will also agree at least on the point that the Government should focus first on the poorest households. The Government's measures are dealing with precisely that point.

5.15 pm

The hon. Gentleman then prayed in aid 10 points on simplification of the tax system, and discussed whether we should have tax exemption certificates particularly for pensioners. We have considered carefully both that idea and the points that have been made. We have also acted on many of those points. However, I do not know how a tax exemption certificate could offer more than is already available. Pensioners who do not have to pay tax on their gross income are already able, when registering a savings account, to receive interest gross. Exemption certificates would seem to require such pensioners not only to have to apply for an exemption, but to supply more information. How would that make the tax system simpler? How would it remove complexity?

I also remind the hon. Gentleman that the changes that the Government introduced in July 1999—taking precisely the type of action that he and other people have advocated—removed 200,000 pensioners from self-assessment.

Mr. Edward Davey: Can the Minister tell the Committee how many pensioners who are not liable for income tax are still being required to fill out income tax self-assessment forms?

Dawn Primarolo: I do not have that precise figure to hand. I am sure the hon. Gentleman did not really expect me to have it, but was simply making a debating point. Although I think that he will find that that information is available, I shall, nevertheless, in the tradition of the House, ensure that he receives it, if he does not already have it.

The hon. Gentleman then said that we need a strategy to help those who are in the lower-income bracket. However, the Government's proposals are part of a package aimed at achieving precisely that objective. The package includes the working families tax credit—which Liberal Democrat Members have opposed and voted against every time the House has considered it—the national minimum wage, and the national insurance reforms.

Additionally, the Government are examining precisely how best to tackle the issue of child poverty. Hence—as will be debated later today—we are introducing the children's tax credit; from next month, increasing the working families tax credit child rate; and developing the new integrated child credit. As the hon. Gentleman will know, because of the changes made in the Government's Budgets to date, by April 2001, 1.2 million children will have been lifted out of poverty.

The hon. Gentleman is therefore trying to focus on a tiny piece of the Government's strategy, simply to repeat Liberal Democrat Members' usual mantra, "Give us 1p."

Then, the hon. Gentleman and the hon. Member for Angus (Mr. Welsh)—whom I shall deal with later, in relation to health and education in Scotland—suggested

[Dawn Primarolo]

that the Government's taxation policy is regressive. The suggestion is ridiculous. Because of our policies, a single-earner family on average earnings with two children will be £2,600 per year better off. A family with one full-time worker will be guaranteed an income of £214 per week—which is more than £11,000 per year. Introduction of the 10p band will halve the marginal tax rate of 2.7 million people who are on low incomes. Moreover, as I said, our measures will lift 1.2 million children out of poverty.

The hon. Member for Kingston and Surbiton then said that it would be better to increase the personal allowance than to introduce the 10p rate. That demonstrates yet again the total confusion of the Liberal Democrats—they tell us that we must not give too much to those on higher incomes, while advancing a policy that would do that. In isolation, increasing the personal allowance would give the biggest cash gain to the highest payers, a point which the hon. Gentleman does not accept.

The hon. Member for Angus presented, if he will forgive me for saying so, the economic strategy of the Scottish National party worked out on the back of a fag packet, revealing yet again that the SNP's approach to taxation is to raise tax without considering the basis on which the economy is moving forward. The hon. Gentleman complains that Scotland does not receive its fair share of expenditure. Spending per head in Scotland is some 22 per cent. higher than in England—well above the United Kingdom average. Spending on health is 24 per cent. higher than in England and spending on education is 28 per cent. higher.

The allocation of extra resources is based on the population and the allocation of resources between England, Wales and Scotland. Spending on health in Scotland is £1,197 per head; in England, the figure is £963. Spending on education in Scotland is £840 per head; in England, the figure is £636. So for the SNP to advance the argument that somehow Scotland is getting a bad deal from the Union is typically fanciful and untrue.

Mr. Welsh: What is spent per head of population is only one way of measuring public spending. The Minister is continuing an old Tory tradition—Michael Forsyth tried the same game, but when he investigated it further, he found out that, when looked at in the round, spending worked out basically the same.

Under-investment in the health service over decades has led to a massive problem in Scotland. Health trusts are running at a deficit, there are cuts and closures, and local government is again underfunded this year. What the Minister says may sound clever in this Chamber, but it will not sound so clever on the doorsteps when she and her colleagues have to face the electorate who are dealing with the effects of her policies.

Dawn Primarolo: I agree with the hon. Gentleman that 18 years of Tory Government left our health, education and public services with massive under-investment. The scale of the task that the Government face in reversing that is truly phenomenal. The economic policies pursued by this Government are turning the tide.

The Budget gives an immediate boost of £1 billion to education, and an increase of £2 billion in national health service spending. Health spending is to increase by more than 50 per cent. over the five years from the beginning of the comprehensive spending review, from £45 billion in 1998–99 to £69 billion in 2003–04. If the hon. Gentleman is saying there is still a long way to go, Labour Members agree with him, but, instead of undermining our economic policy, he should be considering its elements and how to ensure investment in public services and economic prosperity.

Mr. Welsh *rose—*

Dawn Primarolo: I am coming to the end of my remarks, and I have dealt with the hon. Gentleman's points, so I hope that he will forgive me for not giving way again. This is supposed to be a debate about clause 31.

The clause imposes income tax for the year 2000–01. It sets the rates for income tax at 10 per cent. for the starting rate, 22 per cent. for the basic rate and 40 per cent. for the higher rate. It implements the commitment of my right hon. Friend the Chancellor in his 1999 Budget to cut the basic rate of income tax by 1p. We have introduced a range of measures to make work pay better and to encourage people into work. We have cut the basic rate, benefiting 24 million taxpayers. The provision implements the measures already in place to help those on low incomes, such as the starting rate for income tax, national insurance, the working families tax credit and the national minimum wage. Cutting the basic rate cuts the marginal tax rate for the majority of employees. The introduction of the 10 per cent. starting rate halves the marginal rate for 2.7 million people.

Of course we are not cutting taxes at the expense of public services, as both the hon. Members for Angus and for Kingston and Surbiton suggested. My right hon. Friend the Chancellor announced in his Budget the largest-ever increase in national health service resources. We are providing for a 35 per cent. real-terms increase in national health service spending over the five years from the beginning of the first comprehensive spending review, including the additional £2 billion for this year. On top of all of that, this Government are spending £7 billion per year extra on support for children—to lift children out of poverty by 2001.

This is a Government who keep their promises, who have an economic strategy, and who can balance economic fairness, growth in prosperity and investment in public services. This is a Government who cannot be challenged on those points by Opposition Members. I commend the clause to the Committee.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 267, Noes 26.

Division No. 176] **[5.26 pm**

AYES

Adams, Mrs Irene *(Paisley N)*	Barnes, Harry
Ainger, Nick	Bayley, Hugh
Ainsworth, Robert *(Cov'try NE)*	Beard, Nigel
Alexander, Douglas	Beckett, Rt Hon Mrs Margaret
Allen, Graham	Bell, Martin *(Tatton)*
Anderson, Donald *(Swansea E)*	Benn, Hilary *(Leeds C)*
Atherton, Ms Candy	Benn, Rt Hon Tony *(Chesterfield)*
Austin, John	Bennett, Andrew F

Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blackman, Liz
Blair, Rt Hon Tony
Blears, Ms Hazel
Blunkett, Rt Hon David
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Butler, Mrs Christine
Byers, Rt Hon Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Caton, Martin
Cawsey, Ian
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corston, Jean
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Donaldson, Jeffrey
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Howells, Dr Kim
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Kelly, Ms Ruth
Kemp, Fraser
Khabra, Piara S
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Lepper, David
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Rt Hon Mrs Helen
Lloyd, Tony *(Manchester C)*
Love, Andrew
McAvoy, Thomas
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Meacher, Rt Hon Michael
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Robinson, Peter *(Belfast E)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesd'ale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tynan, Bill
Vis, Dr Rudi
Ward, Ms Claire
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Mrs Betty *(Conwy)*
Wilson, Brian
Winnick, David
Wood, Mike
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Mr. Kevin Hughes and
Mr. Mike Hall.

NOES

Allan, Richard
Ashdown, Rt Hon Paddy
Ballard, Jackie
Beith, Rt Hon A J
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Davey, Edward *(Kingston)*
Foster, Don *(Bath)*
Harvey, Nick
Keetch, Paul
Kirkwood, Archy
Livsey, Richard
Llwyd, Elfyn
Maclennan, Rt Hon Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Tyler, Paul
Webb, Steve
Wigley, Rt Hon Dafydd
Willis, Phil

Tellers for the Noes:
Sir Robert Smith and
Mr. Bob Russell.

Question accordingly agreed to.
Clause 31 ordered to stand part of the Bill.

Clause 59

PROVISION OF SERVICES THROUGH INTERMEDIARY

Question proposed, That the clause stand part of the Bill.

Mr. Ottaway: This debate is about IR35 and its introduction. The Government entered office in 1997 on the back of a clear general election victory. They had the support of almost every age group, both sexes, the professional classes and, most important, the business sector. In my judgment, the influence of the business sector played a crucial role in the Labour party's victory. The small business man and the self-employed had much to look forward to. After all, the Labour party's business manifesto said:

> A new Labour Government will give Britain's entrepreneurs and small businesses the backing they deserve.

What do they get in response? They get IR35.

Not content with raising the burden of taxation on business by £5 billion a year, a £5 billion regulatory burden, a complete revamp of double taxation relief costing billions and imposing national insurance contributions on share options, the Government now want to clobber the heart of Britain's high-tech industry with IR35 at a cost of £900 million a year, which is a heck of a lot for Britain's self-employed to pay.

Mr. Michael Fabricant (Lichfield): My hon. Friend is perhaps falling into the trap of at least giving credence to the idea that it was the Labour Government's idea to introduce IR35. Is he aware that the Treasury suggested that IR35, or its equivalent, be introduced in the early 1980s, in the late 1980s and then the early 1990s, but the idea was rejected three times by Conservative Chancellors of the Exchequer? They knew the effect that it would have on high-technology companies in the United Kingdom.

Mr. Ottaway: My hon. Friend is right. We opposed IR35 because of its impact on the flexibility and operations of labour markets, and I shall make that point later.

At least the leopard does not change its spots. In the 1960s, the Labour party nearly brought the economy to its knees and, in the 1970s, it tried to tax the service sector into oblivion. Now in the 1990s, as the high-tech era lifts off, it wants to hit those who make such a large input to the sector's success.

Not content with treating the self-employed with contempt, the Government do it with offence. They accuse Britain's entrepreneurs of "disguised employment" as though they were somehow cheating. The Government fail to recognise that the world is changing. Labour patterns and methods of doing business are changing. Highly skilled staff no longer stay with employers for long periods. We have an increasingly mobile work force and trying to tax them in such a way will inevitably lead to difficulties.

For decades, the self-employed have worked through service intermediaries. They form a business with themselves as its main asset.

Mr. Michael Clapham (Barnsley, West and Penistone): Is the hon. Gentleman suggesting that an employee of an intermediary who works for a client and is under the control of a client and therefore engages as an ordinary employee would engage, should have benefits over and above those available to the employees of the client?

Mr. Ottaway: I am grateful for that intervention. I am certainly not suggesting that and, what is more, it would not be the case. As I shall shortly point out, the self-employed caught by IR35 will still be worse off in terms of the benefits that they receive.

The self-employed work through intermediaries not, as the Government would have us believe, to avoid national insurance contributions, but primarily because it is the most sensible way to arrange their affairs. It helps with the establishment of offices at home, with the purchase of specialised equipment to carry out their job and with travel and accommodation expenses. The Government, with a complete lack of vision, accuse such people as though they were somehow cheating the public. The very opposite is true. Contractors do not get such a good deal; they often do not receive such good benefits as the employed personnel with whom they work.

If I can have the attention of the hon. Member for Barnsley, West and Penistone (Mr. Clapham) for a second, the Inland Revenue has confirmed that, even under IR35 and despite paying class 1 contributions, the self-employed will still not be entitled to rights such as sick pay and holiday pay and, what is worse, they will not be entitled to unemployment benefit when they are not contracted. In short, it is pain without gain.

The national insurance element is being dealt with by delegated legislation shortly to be taken in Committee and against which the Conservative party has prayed in early-day motion 657. The other half of the Government's attack are the rules subjecting intermediaries to schedule E taxation. They are contained in schedule 12 and will be introduced by the clause that we are debating.

Mr. Geraint Davies: Will the hon. Gentleman give way?

Mr. Ottaway: No, I will not.

In simple terms, the rules governing the employed—

5.45 pm

Mr. Dale Campbell-Savours (Workington): On a point of order, Mr. Martin. We have just heard a remarkable response from the hon. Member for Croydon, South (Mr. Ottaway). In Committee on the Floor of the House, we give way.

The First Deputy Chairman of Ways and Means (Mr. Michael J. Martin): Giving way is—*[Interruption.]* Perhaps the hon. Member for Workington (Mr. Campbell-Savours) will listen to my response. He might learn something. Giving way is up to the individual Member. It is not for the Chair to decide whether a Member should give way.

Mr. Ottaway: I recognise the courtesies to which the hon. Member for Workington (Mr. Campbell-Savours) refers. I would give way to 658 Members. It happens that in the past the hon. Member for Croydon, Central (Mr. Davies) has intervened with offence. As a result, I will not be giving way to him.

I shall continue with the debate, and the important subject of IR35, which will attack many people.

Mr. Bercow: Will my hon. Friend consider adding to his list of Members to whom he does not intend at any stage to give way the hon. Member for Workington (Mr. Campbell–Savours), who has just had the chutzpah to accuse the Opposition of defending tax dodging? He has therefore subjected 60,000 hard-working IT professionals to a calumny.

The First Deputy Chairman: Order. The hon. Member for Croydon, South (Mr. Ottaway) was doing all right before the interventions.

Mr. Ottaway: I am grateful to my hon. Friend the Member for Buckingham (Mr. Bercow). I would certainly give way to the hon. Member for Workington (Mr. Campbell-Savours). We do not agree with him on this side of the Chamber, but we treat him with respect.

I shall return to IR35. In simple terms, the rules governing the employed and the self-employed are being changed. The self-employed person who looks as though he might be employed will be treated as employed, and will have to pay tax and national insurance contributions as an employee, not as a self-employed person. Expenses incurred in running a business will be taxed as income, and a mere 5 per cent. of turnover will be allowed as a genuine business deduction. That is not taxation of Britain's self-employed; it is discrimination against Britain's upwardly mobile work force. Those who will feel it hardest will be the high-tech sector, which is the sharp end of British industry. They are the people whom Britain can least afford to lose.

I shall quote from the *Electronic Telegraph*. A software engineer at an aerospace-related corporation preferred to remain anonymous because his contract is not yet completed. When it is, he plans to work with a German partner, or possibly an Italian. He said:

> The Government is creating a brain drain like the one that happened in the 60s. Software is a peculiar thing which has produced a good income for Britain and lots of spin-offs but lots of other countries like Germany are not very good-at it.

He thinks that they will become good at it,

> and so take trade away from Britain, in addition to the tax loss from losing high-income experts.

Another example is Mr. Steven Weaver, who says that he

> is ashamed to say that I voted for this business hostile Government . . . I have no wish to remain in a country that punishes enterprise instead of encouraging it. My company turned down six months' further work in the UK implementing e-commerce systems for our major telecommunications company, entirely because of IR35.

At the general election, Alan McRae was a Labour voter. He said:

> I spent three months and about £50,000 of my company money to try to develop a marketable item of hardware. IR35 will stop this kind of enterprise. Under the new rules, I could not afford to work here. My outgoings in travel and living costs will be swallowed up in two months under the 5pc ruling for expenses.

So he moved. In his case, the total take to the Government is now zero.

I shall take another example. Would Laetitia Caster, the model chosen to represent the symbol of the French Republic, La Marianne, have come to the United Kingdom if she had known about IR35? She almost certainly works through a personal service company, and she ran away from France to avoid 54 per cent. tax, but found that she would have to pay 52.2 per cent. tax here. It comes as no surprise to find that when she arrived and saw what was going on, she quickly announced that she would not be resident in the UK for tax purposes.

Mr. Beard: Can the hon. Gentleman suggest a motive for people to leave full-time employment and set up a personal service company other than tax evasion?

Mr. Ottaway: The hon. Gentleman must consider the complexities of the issue. Many of the self-employed incur expenditure on the tools of their trade, particularly in the high-tech sector when they buy computer equipment. Under the self-employed rules, that expenditure is tax deductible, but under IR35 it is not. Many people therefore prefer to be self-employed so that they can at least count expenditure on the tools of their trade as tax deductible.

Mr. Desmond Swayne (New Forest, West): I worked in the industry, and for most people it is not a question of giving up employment because most jobs are project-driven and contract staff are required, so more often than not full-time employment is not an option.

Mr. Ottaway: My hon. Friend is right. As I was saying earlier, we have a mobile work force, and work patterns are changing. Fewer people are employed as regular staff for a long period. Individuals move frequently and are subject to a wide variety of circumstances.

Mr. Beard: I understand the point that people who are employed on a casual basis may have a greater reward than those who are employed on a regular basis, but that should be given in their salary or payment. Why should it be given through the tax system?

Mr. Ottaway: It is not a reward. Any business is entitled to tax deductions for its operations, such as capital allowances for large corporations. The Government are saying that if people are caught by the IR35 rules, their expenditure cannot be tax deductible, particularly if it is more than 5 per cent. That is perfectly straightforward.

Mr. Campbell-Savours: There is one simple point that I cannot understand. Why should people want to relieve themselves of tax liability when the United Kingdom has some of the lowest income taxes in the whole of the developed world? Even the Tories kept telling us that in the last Parliament, and taxes are lower now.

Mr. Ottaway: The hon. Gentleman misunderstands me: people are not trying to relieve themselves of taxes; they simply do not want to be taxed on the turnover of their business.

Mr. Campbell-Savours: Some people say that it is tax evasion.

Mr. Ottaway: It is not evasion; that is illegal.

Mr. Campbell-Savours: It is avoidance.

Mr. Ottaway: Avoidance is a much better word.

Mr. Fabricant: I am grateful to my hon. Friend for giving way because I am conscious that he has faced a barrage of interventions. He mentioned tax relief on the purchase of equipment, but he should also make it clear that if the clause is passed, IR35 will mean that people will be unable to claim tax deductions for expenditure on travel and accommodation when they go out to seek work but are unsuccessful. That is a disincentive to go out and seek work.

Mr. Ottaway: My hon. Friend is right, although he should be careful to note that the Inland Revenue has issued guidelines about what is self-employment and what is employment. As far as I can tell, the old rules are being changed, although how that interacts with case law is not yet apparent. Perhaps we shall explore that in the Standing Committee. The point applies to people who are caught by IR35 because they are considered to be employed.

The Government say that the self-employed have nothing to fear from IR35, but how do we know whether someone is genuinely self-employed? As I said, the Government's guidelines will tell us, but those guidelines are applied by the Inland Revenue, which finds out who is self-employed by checking every single case. That is not means-testing, it is a witch hunt. Every person who thinks that, according to the Government's guidelines, he may be self-employed has the right to ask the Inland Revenue for verification.

The Inland Revenue has let it be known, however, through leaks, that if someone is unsure whether they are self-employed, it will almost certainly tell them that they are employed. That means that a subjective judgment is made by the official considering the case. In two test cases put forward by the Professional Contractors Association, the two people in question were doing the same job, and one was told that he was employed and subject to IR35, and the other was told that he was self-employed and therefore not subject to it.

What sort of encouragement to British industry is that? Someone may invest in equipment only to find that no tax relief is available. The uncertainty will be devastating to the high-tech sector, and it is no wonder that people are up in arms about IR35 and fleeing abroad. It is no wonder that Australia abandoned a similar scheme because of its complexities and the difficulty of introducing it.

Mr. Edward Davey: I have been listening carefully to the hon. Gentleman and agree with almost every word. Does he agree that it is absurd to introduce a system that requires small businesses to check every contract with the Inland Revenue? Is not that bureaucracy gone mad?

Mr. Ottaway: The hon. Gentleman is right. When, only a few weeks ago, the Australians realised how complex their scheme, which was very similar, would be, they abandoned it.

Concerns have been expressed not only by the industry and Members on both sides of the Committee but by the Minister for Small Business and E-Commerce. She went to the United States to try to woo ex-pats back to this country, but considering the chaos that IR35 is about to cause, who in their right mind would want to return? It is not only Conservative Members who are saying that the Paymaster General is wrong, but her fellow Ministers. As usual, however, she refuses to listen.

The good news is that part of the Government have got the message. They announced yesterday that the time taken to process work permit renewals is to be cut to three months to help Britain to compete for overseas specialists in areas such as information technology. The Department for Education and Employment press release said:

> The processing time for work permit renewals is to be slashed by up to three months following the introduction of a new renewal system . . . by the Education and Employment Secretary David Blunkett. The move, together with new measures arising from the work permit review, will particularly help IT employers to address skills shortages.

It continued:

> The modernisation measures include: a fast-track work permit route for employers in recognised shortage sectors, such as IT.

The press release's notes to editors said:

> Examples of occupations on the fast-track applications route are included in Annex A.

That annexe includes analyst programmers, software engineers, database specialists and IT managers. Part of the Government has got the message that there is a shortage of IT staff. The press release also said:

> We are listening to the needs of employers, and we are giving them what they need.

I only hope that the message gets through to the Treasury.

Mr. Davey: Will the hon. Gentleman speculate on whether that is an example of joined-up government or shambolic government?

Mr. Ottaway: It is completely disjointed government. I hope that the Paymaster General will address the issue. Chamber debating banter aside, this is a serious issue because one Department is pushing a programme that is in complete opposition to what the Treasury is doing.

Germany is seeking to recruit IT workers from India. The United States is introducing a high-tech Act, which will come into effect on 1 October. That will allow the US to increase the number of visas for IT consultants coming to the country by 200,000 over three years. I hope that the Paymaster General will get the message that there is a shortage of IT workers around the world. Yet the Treasury, in its obsession about so-called fair taxation, is driving IT specialists out of the country as fast as other Departments are trying to woo them in, and believe me, they have plenty of places to go.

6 pm

We now have a battle between Departments and between nations. We have the case of Mr. Richard Marriott, who says that, although the Government claim to favour small business, they are

> pouring weedkiller on the seed-bed of enterprise.

He is a specialist computer consultant and is moving to New Jersey to avoid IR35. Stuart Ranson, a programming consultant, was worried when Labour came to power, but returned from an overseas contract none the less.

> Now, they have finally driven me away—

says the programming consultant, now in Holland. He adds:

> It was totally as a result of IR35 and the uncertainty. I object to being taxed at 52 per cent. and being called a tax cheat. I cannot save any money in my company for the times when I don't get work

and the 5 per cent. expenses allowance doesn't go anywhere near to covering the cost of hardware, training, accounting and legal expenses.

Dawn Primarolo: Before the hon. Gentleman digs himself into an almighty hole, I thought I might mention that, in the United States of America, IR35 rules are in force: someone earning £55,000 gross will have net earnings of £37,000, but, of course, has to pay health costs. There are also service company rules in the Netherlands: someone earning £55,000 will take home £29,000.

Mr. Ottaway: The hon. Lady thinks that that is a reason to introduce IR35, but that is entirely in opposition to the vision of the Conservatives. If those are the conditions in the Netherlands and the United States, why does she not abandon the measure and so get IT consultants to come here and meet the requirements of the Department for Education and Employment?

Mr. Campbell-Savours: Did the hon. Gentleman already know what my hon. Friend the Paymaster General has just told him?

Mr. Ottaway: I shall be candid: no, I did not. However, the point is that we live in a competitive economy and we have to compete against other countries. It has been recognised that there is a shortage of IT consultants in this country, and we are going to have a problem unless we can attract more of them here. Introducing IR35 is not the way to do that.

Mr. Beard: Is the gist of the hon. Gentleman's case that there is a shortage of computer industry workers, some of whom have gone abroad, so we should try to attract them back by making tax dodging easier?

Mr. Ottaway: I am merely saying that we should leave the tax system as it has been since it was started, not introduce the new measure. That is not to make tax dodging easier.

The Government must reassess their attitude to professional contractors in this country. They do not recognise that the use of freelance contractors provides businesses with skills that are not available in-house. They do not recognise that many contractors became freelances as the result of experiencing redundancy in their middle years and realising that they stood little chance of regaining permanent employment because of changes in working practice and age barriers. They do not realise that a limited company provides the only reasonable way in which to compensate for contractors' lack of job security.

We support the Government in their objective of achieving fair taxation, but a system of taxation must be workable and the Government must be aware of its consequences. However, there are plenty of flaws in the Bill. Let us take the case of a professional musician who plays at a recording session in the morning, does a solo at a memorial service at lunchtime, rehearses in the afternoon with a group of friends with whom he occasionally fulfils engagements, and performs in the evening with his main employer, the orchestra with which he has a regular contract. The system is simply not workable in such cases: is the Revenue going to insist that four separate contracts apply? For Ministers to defend such a ragbag of nonsense is bare-faced cheek and lacks credibility.

One need only read a little further into the legislation to discover an even bigger nonsense. Paragraph 4 of schedule 12 extends the legislation to partnerships where the worker, as an individual or in combination with relatives, is entitled to 60 per cent. or more of the profits of the partnership. Its definition of relative refers to "husband or wife" and some other relatives. However, paragraph 21(4) states:

> For the purposes of this Schedule a man and a woman living together as husband and wife are treated as if they were married to each other.

We have a double first. Hon. Members will have noted that the legislation does not apply, for example, to homosexual couples. We know that the Government are hostile to marriage, but that is the first time that common law relationships between a man and woman have been recognised in the tax system, and the first time that homosexuality has been treated as an exception under legislation. The Government must state whether that is intended or an oversight.

It is clear that the measure has been introduced in a rush. As I said, the Conservative Government rejected it several times as unworkable and liable to erode Britain's competitive position and to destroy labour market flexibility, but the current Government clearly do not have the vision to recognise the implications. IR35 is a turnover tax which creates uncertainty. It is being introduced with minimum consultation, and those representations that were made have been ignored.

We should ask whether it will produce the revenue that the Revenue expects or hopes for. A leading computer specialist, Gurcharanjit Sian, told the *Electronic Telegraph*:

> IR35 will cause the biggest brain drain since the 1970s when Labour taxed the rich until the pips squeak. Because of the large scale emigration, the estimates of extra tax revenue will also be wrong. The amount of tax my business and I paid last year was enough to finance a couple of Minister's salaries with some change left over for servicing a Jaguar. This year the amount of tax I pay will be nil.

His emigration will mean that we lose his e-commerce expertise to another country. In addition, he is recruiting 100 Britons with similar expertise who have been hit by the same rules because they have similar businesses; they will go abroad with him. Mr. Sian adds:

> We have no British car industry left due to old Labour. Tomorrow there is a danger we will have no British e-commerce industry left either, due to new Labour.

I conclude with the arguments advanced by Mr. Alan Broke, a former president of the Chartered Institute of Taxation. In last year's Hardman lecture, he suggested:

> most complexities come about when politicians depart from the objective of raising enough revenue to cope with their spending and insert measures that have nothing to do with raising revenue but everything to do with trying to engineer social change. All the evidence suggests that tax systems are spectacularly unsuccessful at doing this. However, that does not deter politicians from trying.

I could not have put it better myself.

The legislation is muddled. The measure breaches Labour's manifesto commitments, it is a bureaucratic nightmare, it erodes Britain's competitiveness, it will lead to a brain drain and it will not raise the revenue that the Government hopes for. The Government should delay

[Mr. Ottaway]

implementation to give them time to reconsider the damage they are causing. That is why we shall vote against the clause tonight.

Mr. Edward Davey: I associate the Liberal Democrats with many of the remarks made by the hon. Member for Croydon, South (Mr. Ottaway). We shall vote against the provision because it is extremely pernicious and damaging to British industry's long-term wealth creating sector—the e-commerce sector. The Government came to power saying that they would champion the knowledge economy, and we have heard many speeches and read many publications in which they have said that they want to back the knowledge economy, the IT industry and e-commerce. However, the measure goes in precisely the opposite direction; it is a huge own goal for which our economy will pay dearly if the Government do not take the opportunity to change their mind.

I could recount the saga of the shambles that the Government have created, but I shall not detain the House for too long exploring every detail. When the Chancellor of the Exchequer made the initial announcement in the 1999 Budget, the system was even dafter than the current proposals. We had an accreditation system, which would have placed responsibility on the client in various contractual relationships.

The system was a nightmare and belatedly, in September, the Government were forced to do a U-turn on many of the original proposals. That U-turn was forced on them as a result not only of lobbying by the industry but of hard work, particularly by my hon. Friend the Member for Twickenham (Dr. Cable), whom I congratulate. He worked very hard with Members on both sides of the House in lobbying the Treasury to back down.

Unfortunately, in its announcement of 23 September, the Treasury failed to go far enough. It has helped some groups in the IT industry. It has helped the large companies and larger partnerships which earn millions of pounds a year, but it has not helped the small business or contractor or the sole trader. In failing to help the small business, the Treasury has again misunderstood the nature of the new economy and how the IT sector works.

The IT industry is very competitive and innovative, and relies on the small business—the one, two and three-person business—to generate the drive forward. Technology changes the parameters of the industry every three months; every month, there is a change. One cannot rely on larger companies and partnerships to remain on top of that. One needs the small business and the one-person contractor to provide the innovation and drive behind the new business. In failing to understand that, the Government have shown their ignorance of the way that the economy of this country and of the developed world is going.

Mr. Beard: I am following the hon. Gentleman's argument, but I do not understand why he seems to believe that someone who is employed in a major company in a particular role should be able to leave to set up a personal service company—for all sorts of reasons; perhaps for some of those that have been mentioned—and enjoy tax or national insurance privileges as a result. Surely the hon. Gentleman is arguing that there should be neutrality on either side of the boundary.

Mr. Davey: The hon. Gentleman raises the issue of whether there is tax avoidance and abuse of the system. I think that all parties agree that some abuse has occurred. The question is how we stamp out that avoidance while allowing genuine contractors to go about their legitimate business and provide the country's wealth. If he looked at some of the correspondence that I have received, he would see that many businesses in my constituency—and, I imagine, in his—will be caught by the proposal. The Government are using a sledge hammer to crack a nut. There is no doubt that they know that but are failing to act. One must question their motives.

Mr. Campbell-Savours: Is it not true that the Liberals' desire to raise the higher rate of tax by 10p would have exactly the same effect?

Mr. Davey: I am more than happy to confirm that that is our policy, because we have just debated it under the previous clause, but it would not by any means have the same impact. *[Interruption.]* The hon. Gentleman asked me a question; he should have the decency to listen to the answer. Many of the people who are writing to me earn far less than the £100,000 threshold at which the Liberal Democrats want to impose a 50p top tax rate. Many of them earn £30,000 or £40,000. They work in genuine small businesses and have modest incomes. The hon. Gentleman's party want to shove an extra 10 or 20 per cent. tax on to people who are struggling to make a living.

Mr. Fabricant: Are the Government not targeting the very people whom we need in this country—those who are not risk-averse, those who comprise the enterprise culture and those who work in high-tech sunrise industries? They are the very people whom we should not be driving abroad.

6.15 pm

Mr. Davey: The hon. Gentleman is absolutely right; I agree with everything that he has said.

If we are to oppose the proposal constructively, we must debate how we would tackle the abuse that we agree has occurred—the "Friday evening, Monday morning" abuse to which the hon. Member for Bexleyheath and Crayford (Mr. Beard) rightly referred. The Liberal Democrats believe that that abuse could be tackled without hitting the legitimate contractor. One could consider past contractual relationships between employees of a personal service company and its main or sole clients; we could target that abuse and hone in on it to stop it. That is the approach that we recommend, but not the one in the schedule that the clause will implement.

Mr. Rammell: Will the hon. Gentleman give way?

Mr. Davey: I shall give way in a second; I wish to make the following key point.

A survey of small contractors by the Professional Contractors Group, which represents the people targeted by the clause, showed that the main client of 4 per cent. of its members is the former employer. So it seems that

not only have the Government overestimated the abuse, but their measure is totally inadequate to capture the people whom they say they want to stop.

Mr. Rammell: I heard the hon. Gentleman say that it would be wrong to criticise the proposition without offering an alternative. I then heard him say that he would hone in on abuse. Will he enlighten the Committee by telling us exactly what he means by that, or was the phrase simply vacuous?

Mr. Davey: I am more than happy to do so; in fact I just did. Before the hon. Gentleman intervened, I talked about the past contractual relationship between an employee of a personal service company and its main or sole client, which constitutes the abuse that the Government said they wanted to tackle. The PCG has come up with more detailed tax proposals that would stop the abuse about which the Government say they are concerned without hitting legitimate business. If the hon. Gentleman is concerned about the people in his constituency who will be hit—they may have voted for him—he should be criticising the Government and asking them to think again, just as in Australia, where the Government proposed a similar provision but realised that it would harm the new economy.

The far east and the Pacific rim are very competitive. Those countries realise that they must retain home-grown, skilled IT workers in order to develop businesses. Fortunately, the Australian Treasurer had the wisdom to back down. When the Australian Government changed their proposals, the Treasurer said:

> Originally the proposals aimed to set up a system whereby people who are really employees couldn't pretend that they were contractors and walk out of the PAYE system, but you had to protect genuine contractors who really are in business. And what we are trying to do here—

by the change—

> is protect genuine contractors.

That is what our Government should be doing, and that is what we are arguing for.

Mr. Quentin Davies (Grantham and Stamford): The hon. Gentleman quoted the figure of 4 per cent. of contractors whose principal customer is a former full-time employer. Does he agree that for many of those contractors, the relationship will have changed at the initiative of the former employer? Those people will have been made redundant. The employer will have decided that he could no longer bear that individual as a fixed cost, but could do so as a variable cost. In other words, the individual who is pushed into being a contractor bears the economic risks of his activity in a way that he previously did not. It is perfectly right and economically rational that such people should be taxed on that basis, as self-employed.

Mr. Davey: Although I agree with the thrust of the hon. Gentleman's point, in opposing the clause we must be careful not to give succour to employers who go down such a route. I agree with some of what the Government say about the Friday evening, Monday morning practice being wrong. Far fewer employers use it than the Government are trying to make out; none the less, we must not give succour to people who behave in such an appalling way. We are against such abuse of the tax system. We are in favour of a different approach, which does not discriminate against small companies. The Government will be taken to the courts because of this measure, and rightly so. I do not know whether the Conservatives are pleased that it will be under European legislation that the Government are criticised in the courts—

Mr. Bercow: Ends and means.

Mr. Davey: It seems that some on the Conservative Benches want to have their cake and eat it. We will not let them do that.

The Professional Contractors Group will seek a judicial review, because it believes that the Government's proposals represent anti-competitive measures that discriminate against small businesses, which are the bedrock of the economy. The measures favour the big boys, and that must be wrong.

Mr. Bercow: I strongly agree with the hon. Gentleman's comments about discrimination against small firms. Should we not therefore be told by the Paymaster General whether, against all the evidence with which she will have been provided, she believes that the 5 per cent. expenses limit is, on average, adequate to cover accountancy, computer and training costs, or whether she knows perfectly well that it is not adequate, but that she does not care because the figure has been plucked arbitrarily out of the air, as a capricious means by which to raise taxes?

Mr. Davey: The hon. Gentleman is right. The Government must justify the 5 per cent. figure, and I fear that they will be unable to do so. We pointed out to the Paymaster General that the figure does not represent the training cost that must be borne by contractors in the industry. They often find that within six months their skills are obsolete, because the industry changes so much. They will be out of business unless they spend heavily on investment in their skills.

In response to that argument, the Government say that employees must fund their own training costs. The Government clearly fail to see the difference and the issue that we are trying to highlight. A self-employed business man or woman trying to build up his or her business needs to make that investment. In the new economy—the knowledge economy—such an investment in training and knowledge is comparable to an investment in machinery and plant in the old economy. If the Government fail to realise that, they will damage the cornerstone of the country's future wealth.

The discrimination against small companies is of particular concern to Liberal Democrats. The Government have granted various exemptions to larger companies, which smaller companies will not enjoy. With such a bureaucratic system, as the hon. Member for Croydon, South described it, the compliance costs will be much higher for small companies. The Government are reinforcing the existing anti-small business features of the tax system. Small businesses already have higher compliance costs than larger companies. Again, the Government seem to be favouring the big boys.

As for who will be caught by IR35 and who will not, the key issue is the definition of self-employment. No doubt we will debate that in detail in Committee.

[Mr. Davey]

The Government need to realise that, in the knowledge economy, self-employment is inevitably a more difficult concept to pin down.

In the case of physical goods—say, rabbit hutches—it is easy to prove that one is a sole trader manufacturing rabbit hutches and selling them on. A sole trader running a shop can show that he has premises from which he sells his wares. However, if the goods and services that one is providing are in one's head, and those are provided to a number of clients, of course that will be more difficult to prove under the old rules fashioned two centuries ago.

When the Minister replies to the debate, will she tell us of any case dealt with by the courts in which they have defined for the knowledge economy the criteria that constitute self-employment? Whereas there are a host of cases that define self-employment in many other industries, there is no such case law for the new economy and the IT sector. The Government and the Inland Revenue have to make it up as they go along. That leads to huge uncertainty and will result in people facing penal tax rates, which they should not have to do.

Mr. Gerald Bermingham (St. Helens, South): I have been listening to the hon. Gentleman with great care, and I declare an interest as a practising lawyer. I have many clients; I have no single client. I am self-employed. I can offset the costs of going to my place of employment, and the costs of my chambers—what I have to pay towards the bill. I cannot offset anything else, except perhaps the odd course. What is the difference between me and someone in the IT sector? *[Interruption.]*

Mr. Davey: There are many differences. If the hon. Gentleman looks at the details, he will see that the costs that self-employed people in many businesses can offset against their profits are much greater than those that he mentioned.

Mr. Bercow: Does the hon. Gentleman agree that, as one of my hon. Friends lucidly observed from a sedentary position, one important distinction between the two individuals is that whereas there is no obvious shortage of lawyers, there is an obvious and worrying shortage of IT professionals?

Mr. Davey: The hon. Gentleman makes a good point.

I shall take head on one of the charges made by the Minister on Second Reading and in another forum—

Mr. Campbell-Savours *rose—*

Mr. Davey: No, I will not give way.

The Minister made a comparison between an employed nurse and a self-employed IT consultant. That is like trying to compare apples with pears. A more correct comparison would involve a nurse working from a nursing agency. The Minister would find that under tax law, that nurse is seen as self-employed and would thus be subject to exactly the same tax rules as the self-employed IT contractor.

If the Minister makes the precise and fair comparison, she will find that the people who are complaining about the legislation are on the side of nurses and teachers. We argue that employees in the private sector and the public sector should be on the same tax system, and that the self-employed who work in the public sector and in the private sector should also be on the same tax system.

That is the basis of our argument, and the Minister must not try to confuse it. I refer her to a case—Clark *v.* Oxfordshire Health Authority 1998—in which the Court of Appeal ruled that a nurse working for a nursing bank was indeed self-employed for tax purposes. Let us not have false arguments from the Treasury Bench tonight, please.

A self-employed person—a nurse or an IT contractor—is subject to a different tax and benefits system from those who are employed. That is a straight fact, which the Government should acknowledge. The self-employed are liable to corporation tax if they make real profits, and they will not get the benefits that employed people get. The distinction between being employed and being self-employed is crucial and of long standing in our taxation system.

The Government are trying to change that through a hidden tax increase. It will be more damaging to the economy in the longer term than any of the other tax increases that they have tried to impose, because it will damage the key sector of the future British economy.

Mr. Frank Doran (Aberdeen, Central): The attack that we have heard from the two Opposition Front Benches is familiar to all of us who have been following the matter. The Liberal Democrat spokesman was a little more sensitive to what the Government are attempting to do, but we have just heard a recitation of all the claims made by the Professional Contractors Group, which most of us received in our mail bag, without any attempt at analysis or proper examination of the system.

If the Government pursue their agenda to introduce a fair tax system, which we all support, and business taxes are progressively reduced to become the lowest in Europe, loopholes need to be closed. I support totally the principle behind the Government's aim, but I shall deal in detail with one aspect of the process that causes me concern in my constituency.

6.30 pm

Most of the debate on the issue so far in the Chamber and earlier has concentrated on the IT industry. That is developing into a global industry, and the reality of any global industry is that people will go where the work is. It is nonsense to suggest that hordes of IT specialists will uproot themselves and their families to go to other countries on the assumption that those countries do not charge tax. The hon. Member for Croydon, South (Mr. Ottaway) appeared not to be aware that such countries have similar legislation in place. People will go where the work is, and it is clear that much of the work is in Britain, which is spearheading a lot of development.

Mr. Ottaway: I should clarify that the quotes that I gave were not from people who have not gone or may be going, but from people who have gone.

Mr. Doran: I am questioning whether the Government's proposals are the sole reason for their going.

During the past 14 months since the Chancellor made his announcement, I have received a substantial mailbag on the issue. My hon. Friends the Members for Aberdeen,

North (Mr. Savidge) and for Aberdeen, South (Miss Begg) and I organised two meetings in our constituencies to meet contractors affected. More than 180 people attended and we had full and frank discussions. *[Interruption.]* They were useful discussions. Those meetings brought to my attention the problem that I am about to raise and clarified a number of issues for me, making me even more supportive of the Government's position.

The comments that have been made to me fall into two categories. There are the honest contractors who say, "Yes, this has been going on for years. We wondered when you would catch up with us," and there are the others who mouth the sort of comments that we have heard from the Opposition Front-Bench spokesman. We need a little reality and balance.

I want to concentrate on a particular issue. I want to talk not about the IT industry, but about the oil industry. Aberdeen is the centre of the European offshore oil industry. As most hon. Members will know, oil is a global industry. It is also a volatile industry. For example, in 1985–86 there was a substantial downturn in the industry and the oil price went down from about $32 a barrel to $9 almost overnight. About 50,000 jobs were lost, but, because they were spread throughout the country, there was not quite the outcry that we have seen with other large-scale industrial closures or job losses. However, Aberdeen was seriously affected.

The oil industry responded quickly, altering the basis on which work was carried out in Aberdeen. I cannot give percentages because each company varies, but a large proportion of people now employed in the oil industry are contracted. The industry uses them to provide flexibility for the bad times. For example, at the beginning of last year, when the oil price virtually halved overnight from about $20 a barrel down to $9 or $10, the redundancies were almost invisible because contractors were simply shaken out of the industry. Their contracts were terminated. All the contractors who stayed, from the large contractors employing hundreds, sometimes thousands, of people, down to the one-man bands that we have talked about tonight, were forced to take substantial cuts, some as high as 20 per cent., which were imposed by the oil companies across the board with no questions asked. That was the requirement if people wanted to keep a contract. Contracts are written in a way that ensures that oil companies have the power to do that. It gives the oil industry flexibility and that is the price that people who work in the oil industry have to pay.

The oil industry is international. I am used to seeing in my surgery people who have just come back from contracts abroad—from Kazakhstan, the Gulf of Mexico, Australia and Indo-China. They work all around the world. We already have a global industry, and people are used to moving around in it. The oil industry is a mature industry. Some people say that it is in decline; it is, but it is a slow decline. However, it is clear that its future will depend on the sort of contracting arrangements that we have debated tonight.

One of the issues that came up at the meetings that I had with contractors in my constituency was employment status. The hon. Member for Kingston and Surbiton (Mr. Davey) talked about employment aspects. One of my concerns about the Government's proposals is that there is a suggestion in the legislation that there is an element of choice. Unfortunately, in my constituency, employees who are contracted by the oil industry do not have a choice. There is a chain of employment, and contractors are employed in the industry only through employment agencies, many of which specialise in the sort of skills that are needed offshore. Those employment agencies provide employees, either for the main contractors who provide the services directly to the oil industry or for the oil companies themselves, but usually for large contracting companies.

When I discussed the issue with the oil industry and the employment agencies in my constituency, I asked why it was a requirement that employees who worked as contractors should establish companies. Only companies are accepted. All are forced to form personal service companies to provide the contracting skills that the oil industry wants. The simple reason is that the Income and Corporation Taxes Act 1988 places a liability on employers to pick up the tab for any failure on the part of an employee to pay national insurance or PAYE contributions. The oil industry, the contractors who work for the oil industry, and the employment agencies that are the direct line of employment for my constituents who work as contractors in the oil industry, are not prepared to take that risk, so my constituents are forced to form companies.

In discussions with my constituents, collectively and privately, many have made it clear to me that their choice would be, first, obviously, to have a proper job with proper pay, paying PAYE and national insurance contributions like everyone else. That option is denied to them because of the nature of the oil industry. Their second option would be to be self-employed without the hassle of running a personal service company and having to make returns and employ accountants, and to obtain the reliefs to which they would be entitled as self-employed people. However, the system does not allow for that because the employing companies are not prepared to take the risk.

My concern is that service companies in my constituency have no choice. Many see the advantage of self-employed status, but because of the effect of the 1988 Act, that option is not available to them. Therefore, while reiterating that I support the aims and principles of the legislation, I ask the Minister to consider that point.

Sir Nicholas Lyell (North-East Bedfordshire): In the past three years, there has rarely been a subject like this on which so many thoughtful and intelligent constituents have come to see me to discuss matters so deeply. Ever since the IR35 proposal was put forward by the Government, I have been visited by a series of constituents, mostly working in the IT industry, who are deeply concerned about the proposals and whose fears have not so far been assuaged by the answers that I have received from the Minister.

The net point made by the Chief Secretary is that nobody will be caught by IR35 who would not be deemed to be an employee under existing employment law. That is stated in the letters that I have received in reply to the many letters that I have sent on behalf of constituents. However, my constituents are not satisfied that that is the case and, unless the Minister can satisfy the House that it is, the proposals should be removed. That is why I support the Opposition's proposal to delete clause 59.

[Sir Nicholas Lyell]

The contractors in the IT sector who come to visit me make the point that they in no way seek to avoid tax; they seek to provide services to an industry that demands flexibility in a way that enables them and their employers—I do not use the word strictly, but those who use their services—to operate in the most effective manner. They point out that they always take a reasonable salary from their service companies, and that those service companies pay the usual tax and insurance on salaries. They say that they have no knowledge of the system whereby someone is an employee on Friday and self-employed on Monday morning. One of those who came see me is an experienced chartered accountant, who acts for many people in the IT sector. He, too, has never come across the Friday evening, Monday morning syndrome, that is part of the Government's case.

Contractors point out that they either work for several companies that use their services, or for one company at a time, for periods that are not easy to predict. That requires the flexibility to be able to move out of a particular sort of employment and take the risk of seeking new employment. As I said earlier, the contractors use service companies, which means that they pay tax and national insurance. Those companies are similar to the examples, such as that of the nurse, that Ministers cite when pushing their case. It was rightly pointed out that an agency nurse would make a better comparison.

The contractors stressed the unreasonableness of the 5 per cent. expenses limit. I should like to know whether the Paymaster General intends to stick to that. I am not sure whether she is catching my remarks. If we consider the costs of accountancy, purchasing and maintaining computers, and training, it is unrealistic to expect them to be met on 5 per cent. The Government should take note of that. One contractor said that his training costs regularly totalled £2,000 a year.

It is not fair to treat those who work for a service company simply as employees. They are treated as employees without the benefits that ordinary employees receive. If the contractors whom we are considering were employed, an employer would pay his share of their national insurance contributions. If they were made redundant, they would receive redundancy payments. They do not receive such payments under the system that they use. If they were unemployed, they would receive jobseeker's allowance and the benefits attendant on that. As employees of their companies, they have to forgo those benefits. The Government therefore do not treat like as like.

The Government claim that the proposals are tax neutral. For the reasons that I outlined, they are not. In an artificial way, a specialised IT provider will pay more tax than if he were an employee. The proposals are not, therefore, tax neutral.

Mr. Bercow: Does my right hon. and learned Friend agree that, if the proposals turn out to be tax neutral, it will be the consequence not of a deliberate Government policy decision, but of several contractors ceasing to trade and thus not paying tax?

Sir Nicholas Lyell: My hon. Friend makes a good point. It leads to a point that many hon. Members have made and to which the Government would do well to pay heed. People are voting with their feet and leaving the country or seriously considering doing so. That is damaging to the country, and will lead to a reduction in the Government's tax take. Hon. Members of all parties have heard highly intelligent constituents, who plainly pay a fair proportion of their income in taxation, express revulsion at the Government's proposals. That would not happen unless there was a serious reason for it.

6.45 pm

Although in the past six months the Government have been pigheaded and refused to give ground, there is a chink of light. The letters that we receive from Ministers encourage people to discuss the matter with their tax inspectors to ascertain whether they can find a way through. Perhaps that means that the Government do not want to be seen to back down, but are giving a nod and a wink to tax inspectors.

The proposals have caused genuine anxiety to a highly intelligent and undoubtedly modern sector in the business community, which the country badly needs. The Government use the expression "modernisation" so often that it makes many of us feel ill. They ought to reconsider the proposals carefully. Unless they are satisfied that those proposals will not do the damage that my constituents fear, they should revise them.

Mr. Fabricant: The Government propose the measure for only one reason: not to close loopholes but to raise money for the Treasury. The clause is not tax neutral; it will raise £900 million. As I said earlier, it will raise that money from the companies, organisations and people whom we need to keep in this country. We need people who are not risk averse, who work in skilled high-tech, sunrise industries and know about computers. Unlike the Prime Minister, who, as a stunt, tried to show that he knew all about e-commerce, but failed to find the "T" for "Tony" on the keyboard, we are considering people who know how to generate not only software for computer companies but income for the nation.

The Paymaster General simply does not care. I sent her 11 plastic bags, which contained more than 3,500 names of people who said that although they were not experts in tax, they were experts in computers and their companies. They said that they would leave the country or, even worse, remain in the country but invoice from abroad and thus deprive the Revenue of money if this nasty clause were passed.

Mr. Barry Gardiner (Brent, North): Is the hon. Gentleman trying to undermine the arguments of Conservative Front-Bench Members? He pointed out that the Government will raise £900 million in revenue through the measure. However, Conservative Front-Bench Members argued that the very 350,000 people to whom he referred, and others, would leave the country and that the money would not be raised. Does the hon. Gentleman intend to undermine Conservative Front-Bench Members, or does he simply fail to understand their arguments?

Mr. Fabricant: The hon. Gentleman would have made a good intervention if he had kept to the point. I realise

that he is only a new boy, but, in future, if he wants to make a killer point, he should make it short. Rambling on a bit gives one time to think.

Mr. Gardiner: Answer the question.

Mr. Fabricant: I shall answer. The hon. Gentleman is an opera singer and clearly creative. His mind wandered during my introduction. I mentioned earlier in an intervention that the figure of £900 million came from the Red Book, which makes a prediction. Perhaps the hon. Gentleman has recently appeared in the Chamber, or perhaps only his body has been present while his mind has been elsewhere, but as my right hon. and learned Friend the Member for North-East Bedfordshire (Sir N. Lyell) and others, including me, said, the Government probably will not raise the money because people will go out of business or go abroad.

The Government cannot claim ignorance because people have gone to see the Paymaster General. She has not always been in a particularly listening mood, but people have talked to her and she has not responded.

Mr. Bercow: Is my hon. Friend aware that my constituent Mr. Mark Gillis, a software consultant, has just ceased to trade? At the beginning of April, I wrote to Treasury Ministers on his behalf. The Paymaster General signed a reply dated 26 April, which she appears not to have read and which shows no acknowledgement of the fact that that individual is one of her first victims.

Mr. Fabricant: Mr. Mark Gillis may be one of the first, but I am sure that he is the first of many—*[Interruption.]* This is no laughing matter. He is one of the very people we need if this country is to succeed in the 21st century.

Mr. Bercow: This is no laughing matter for Conservative Members or, in fairness, for Liberal Democrat Members. Does my hon. Friend agree that it is disgraceful that Labour Back Benchers find it hilarious that someone has ceased to trade, losing an invaluable business? Such is their intelligence.

Mr. Fabricant: Such is Labour Back Benchers' understanding of business. Those who have spoken are barristers, solicitors or social workers. Those are all great careers in themselves, but such people are risk averse.

Mr. Bermingham: You are joking.

Mr. Fabricant: Perhaps not barristers. I exclude the hon. Gentleman from that remark, although I shall refer to a couple of inaccurate points that he made earlier. The Labour party is unfamiliar with what business men—even small business men—have to endure. If one is to be taxed at a particular level, there must be a benefit.

Mr. Beard: Labour Members' derision had nothing to do with a person going bankrupt. It was prompted by the absurdity of attributing going out of business to legislation that has not yet been passed.

Mr. Fabricant: As we say in the Chamber, the hon. Gentleman makes his point in his own way, and his own way is interesting indeed.

Mr. Bercow: I am grateful to my hon. Friend for giving way again as he has given me the opportunity to elucidate for the benefit of the hon. Member for Bexleyheath and Crayford (Mr. Beard). Does my hon. Friend understand that my constituent Mr. Mark Gillis is ceasing to trade now because he has the capacity to see ahead? He is aware beyond doubt that he will be clobbered by the Government's proposals and that remaining in business will not be worth his while. He is giving up the struggle against the Treasury leviathan.

Mr. Fabricant: Either way, it is interesting to speculate: will Mr. Mark Gillis choose to stay in this country and claim from the state as unemployed or will he become an opportunity cost by going abroad to trade, thus reducing this country's status? That effect will be magnified many thousands of times as the high-technology and software writing position of rival countries improves.

IR35 is nothing new. Such a measure was proposed by the Inland Revenue in the early 1980s, the late 1980s and the early 1990s as a tax-producing dodge—a way of raising money for the Treasury. Previous Conservative Chancellors rejected that method outright because they recognised the effects that it would have on small business men and sunrise industries in particular. What is new is that this Government, because they are unable to understand the requirements for producing a high-technology-oriented nation, have fallen for it hook, line and sinker, and 60,000 people will be affected. Perhaps they will all go abroad. Then the Government can say, "We've got 60,000 fewer people. That is why we are allowing so many asylum seekers into this country." *[Interruption.]* I shall not pursue that line, Mr. Martin, because you would rule me out of order, but there is no other logic to it. Surely the Paymaster General and the Chancellor are not naive enough to fall for a particular proposal even though previous Chancellors refused to do so. That would be absolutely wrong.

Dawn Primarolo: I am sure that the hon. Gentleman did not want to make a gratuitous and unacceptable comment in referring to asylum seekers. May I help him? If he wants to criticise the Government on the fast-tracking of work permits, he is entitled to do so. However, every Member of the House recognises that pouring oil on the flames represented by the hysterical language that some Members use about asylum seekers has no place in the Chamber.

The First Deputy Chairman: Order. I shook my head earlier to show that I would not allow a debate on asylum seekers. Points have been made by both sides so it will be best if we return to the debate on the clause.

Mr. Fabricant: Thank you, Mr. Martin. I would not like to create a situation in which the Paymaster General can be even more pompous and patronising than usual.

A couple of interventions on my hon. Friend the Member for Croydon, South (Mr. Ottaway) showed a lack of understanding of the effect of IR35, and the hon. Member for St. Helens, South (Mr. Bermingham) asked an interesting question of the hon. Member for Kingston and Surbiton (Mr. Davey): what is the difference between a lawyer and a worker in a high-tech software industry? Let me answer that. I put it to him that there are two clear differences. First, as a barrister, he is self-employed and already enjoys all the benefits of not being hit by IR35.

[Mr. Fabricant]

When the Bill is passed, he will retain those benefits, but people in high-tech industries will not. In effect, they will be on schedule E, while he is on schedule D.

The second difference is more profound. As a lawyer, the hon. Gentleman does not have to invest quite so much in technology. He has to invest in books and needs access to the internet, but I am not convinced that he requires access to as much software and chip writing as those who work in the high-tech industries. He also does not have to travel to seek work. If he had to go to Aberdeen to represent an oil company, he would be retained by a solicitor and would already have the contract. People seeking a contract to write software may travel to Aberdeen, not win the contract and be unable to claim travel and accommodation expenses.

Sir Nicholas Lyell: My hon. Friend points up another unfairness between IT contractors, on whose behalf we are speaking, and self-employed people such as myself and the hon. Member for St. Helens, South (Mr. Bermingham). I have returned to private practice and I know that barristers are spending a lot of money on IT as well as on books and retraining. However, they are not restricted to 5 per cent. of their gross earnings whereas IT contractors, who are at the cutting edge, are being so restricted. I want the Government to justify that. Can my hon. Friend help me?

7 pm

Mr. Fabricant: Sadly, I cannot help my right hon. and learned Friend—and, even more sadly, I doubt whether the Paymaster General will be able to help him either.

It is clear that those who will be hit by IR35 will experience all the penalties and none of the benefits. We have already heard that they will receive no sick-pay benefit, no holiday-pay benefit and no unemployment benefit. They will not be able to charge equipment against tax; nor will they be able to charge their travel and accommodation.

We are discussing a provision that was rejected by Conservative Chancellors, by Australia and Germany and, to an extent, by the United States. I ask the Minister to check with her officials after the debate to establish whether the information that she gives is wholly correct, because she will find that in some American states there is no IR35 provision.

Yet again, Labour has demonstrated that it is no friend of business. Yet again, it has accepted tax-raising schemes proposed by the Inland Revenue and rejected by Conservative Chancellors. Yet again, Government spin doctors have been dragooned into demonising small high-tech businesses in sunrise industries by name-calling—by branding them tax-dodgers. Yet again, Labour has shown itself to be of the deepest red hue: while pretending to be "new Labour", it has driven those that are part of the enterprise culture into a new and more damaging brain drain.

Mr. Bermingham: I did not intend to make a speech, but when I hear an argument so misused and language so abused in the making of terrible points that have no merit, I feel that I must deny my natural self-restraining principles.

The hon. Member for Lichfield (Mr. Fabricant) has done it again. I do not know whether it is the time of the month or the movement of the moon that produces the rants, but they occur with periodic frequency. The hon. Gentleman really is being rather silly—and I say that with the greatest respect.

Let us suppose that I am an information-technology contractor, and an expert in the field. Let us suppose that I suddenly decide that the tax regime will be against me, and resolve to take myself to Paris, Frankfurt, Dublin or another European capital or major city and flog my services from there. In that event, I would find myself paying tax in Paris, Frankfurt or Dublin, where personal taxation is higher. Oh dear! It seems that that would not be a very wise move.

I realise that, as a humble barrister, I do not live in the whiz-kid world of today; I live in the world of yesterday. Let me gently remind the hon. Member for Lichfield, however, that I was once a senior partner in a firm that employed hundreds and hundreds of people, and today employs thousands. I have just a little bit of knowledge about the running of large businesses with million-pound turnovers: I speak on the basis of experience rather than ignorance.

Mr. Ottaway: That was a long time ago.

Mr. Bermingham: Yes, but there is a funny thing about some of us. We may move to a different side of our profession, but we keep in touch with our former colleagues, and we therefore keep up to date with what is happening—shock, horror.

Be that as it may, let us suppose that I am an IT consultant, or perhaps an engineer. Why do we not hear much about the Institution of British Engineers and the engineering consultants? Why do we not hear much about surveyors, chartered accountants, or, indeed, specialist pharmacists and forensic scientists who act as sole practitioners and consultants? We hear nothing about those people, who are all self-employed. That is because, when they set out to be self-employed, they set themselves up in a way that justified the tax allowances and expenses that they could claim. How do they do that? Well, they charge a fee for their services, and if they earn more than £60,000 a year gross—I think that that is the current turnover—they charge value-added tax, which is, of course, collectable and payable. They then find themselves in the interesting position of having to finance their own expenses and overheads. In my case, that will be chambers fees; in the case of pharmacists or forensic scientists, it may be laboratory fees. They will offset the costs against their incomes, which will result in a net figure on which they will pay tax in the normal way.

There is, however, a risk in being self-employed. Self-employed people are not paid during their holidays. They are not paid when they are sick, so they cannot succumb to any illness unless they are insured against it. If they are made redundant—if they are no good, and are out of a job—they do not receive unemployment benefit. That is the risk.

If IT consultants set themselves up in the same way, they must take the same risks as the rest of us who are self-employed. I am not here to say whether that is good or bad; but if there are dodges that mean that some people receive holiday and sickness pay and all the rest while

pretending to be self-employed, and if that is not open to those who are self-employed, should there not be a level playing field? Let me tell the hon. Member for Lichfield and the hon. Member for Kingston and Surbiton (Mr. Davey) that there are ways of organising one's affairs to ensure that one is genuinely self-employed and, as such, taxed genuinely. There are, however, risks and disadvantages in being self-employed, from a taxation and from a personal point of view.

Mr. Edward Davey: The hon. Gentleman is completely misrepresenting the issue. The self-employed IT contractor does not receive the sickness and unemployment benefits that the hon. Gentleman is trying to claim that he would receive: the hon. Gentleman has misunderstood the tax change that we are debating.

Mr. Bermingham: In fact, the hon. Gentleman has completely misunderstood what I am saying. I said that, for someone who is self-employed, those are the disadvantages. If the IT contractor is genuinely self-employed and consults an accountant, he will be in exactly the same position as others and there will be no problem. I do not understand the sudden assumption that there is a difference.

Mr. Malcolm Bruce (Gordon): I know that the hon. Member for Aberdeen, Central (Mr. Doran) has already raised this issue, but may I raise a specific point relating to contractors in the oil industry? They do not have the option of becoming self-employed, because the oil companies will not deal with them if they do. They must set themselves up as separate businesses, yet they are restricted to the 5 per cent. allowance. Many of my constituents say that their expenses constitute 10, 15 or 20 per cent., but that they cannot reclaim those amounts. Is that fair?

Mr. Bermingham: That is exactly why I accept what was said by my hon. Friend the Member for Aberdeen, Central (Mr. Doran). I was about to refer to exceptional circumstances in which the nature of the industry—*[Interruption.]* Just one second. In such circumstances, the nature of the industry creates a climate in which a level playing field is not possible.

I accept the concept that lies behind what the Government seek to do. Like my hon. Friend the Member for Aberdeen, Central, I also accept that there are exceptional circumstances that need to be dealt with. However, we must not throw out the baby with the bathwater; we must seek to rectify the situation, and perhaps that will happen later.

That is why I was rude about the hon. Member for Kingston and Surbiton. In fact, when I intervened on him I was trying to be helpful. If he does not accept that, it is sad. Sometimes I try to be helpful even to Liberal Democrats, although it goes very much against the grain. It was, however, the speech of the hon. Member for Lichfield that prompted me to speak, because again it was the wrong point in the lunar cycle and we got a rant.

Mr. Fabricant: On a point of order, Dr. Clark. Is it in order for one Member to make personal remarks about another?

The Temporary Chairman (Dr. Michael Clark): I do not think that I heard any personal remarks.

Mr. Bermingham: I agree with my hon. Friend the Member for Aberdeen, Central, who made a valuable point. I hope that it will be taken on board, that eventually self-employed will mean self-employed, and that the advantages and disadvantages will be the same for all self-employed people, whatever their field.

Sir Robert Smith (West Aberdeenshire and Kincardine): I welcome the contribution that we have just heard because it highlighted the problems of the oil industry and reinforced the point already made by the hon. Member for Aberdeen, Central (Mr. Doran). I too represent a constituency in the north-east of Scotland, where many constituents are concerned about how the proposals in IR35 will affect them. I reinforce the point that it is not just the one sector—the IT industry—that will be affected; several sectors are affected.

When the Welfare Reform and Pensions Bill was going through the House last year, many Labour Members were completely blank as to whether there was a problem at all, or where it was coming from. It seems to be an issue that affects some constituencies very badly and does not touch other constituencies. Well over 60 constituents have raised the issue with me directly, yet I have talked to Members from other parts of the country and not a single constituent has raised it with them. That is why the understanding is perhaps deeper among some Members than others.

I reinforce the point about the oil industry. I hope that if the Government cannot take it on board tonight, they will at least hint that they will take it on board later in the Standing Committee. People find themselves working through single-person companies not because they went to an accountant and said, "How can I minimise my tax take?" but because they lost their job, and setting themselves up to work through a single-person company was the only way they could get another.

The Government must therefore look carefully at the arbitrary 5 per cent. costing and explain where it came from and how it was worked out. Why can they not recognise genuine costs that have been incurred by someone trying to operate a company, and look at the actual costs on a case-by-case basis, individual by individual?

The other problem in the oil industry is the ageing profile of the people working in it. Many of them are getting near to retirement. They are trapped, having made their financial plans on the basis of the current arrangements. I wonder whether the Government could give them any hint, advice or certainty as to how they might sort out their pension arrangements and what their future plans should be if the Government push through their proposals unamended. Now that those people are so near to retirement, there is little scope for them to make adjustments. They have planned on the basis of a way of working and a tax regime that they understood, working towards retirement.

Others may have made slightly better provision for retirement, but there is a threat of skill shortages. The downturn in the oil industry and the low prices have masked a serious recruitment problem. The next generation is not coming into the industry. Some people will look at the proposals, the way their life is going and what they have already sorted out and will say, "Perhaps early retirement is the way forward for me." There could be a loss of skills and a loss of work force.

I hope that we will hear from the Government that they recognise that it is not just an IT problem, but one that affects other sectors in the economy—it affects many in

[Sir Robert Smith]

the north-east of Scotland in particular—and that the people coming to my surgeries who face 20 per cent. cuts in their contract income, as the hon. Member for Aberdeen, Central has already said, are not high-flying earners looking for a great tax avoidance regime. The industry is structured in a certain way, so they have worked in that way. They have now been hit by a sledgehammer and are looking for some reassurance from the Government that, finally, at the 11th hour, there will be an understanding that they have genuine costs that need to be met and recognised.

Mr. Swayne: In view of the lucid exposition given by my right hon. and hon. Friends, from which we have all just benefited, and particularly in view of the robust contribution of my hon. Friend the Member for Lichfield (Mr. Fabricant), I shall not need to detain the Committee long.

Like my right hon. and learned Friend the Member for North-East Bedfordshire (Sir N. Lyell), I have benefited from meeting many intelligent and articulate constituents who have brought their concerns about the measure to me, but they are not quite as clever as some of us might imagine. I had about 30 written representations and have met half the authors. About two thirds of them—let us say 10 of them—prefaced their remarks with the extraordinary and unprompted admission: "I did not vote for you. I am very sorry, Mr. Swayne. I voted new Labour for the first time at the general election." One cannot help having a slight smirk on one's face and saying, "Is it not a measure of your own contributory negligence that you now find yourself in the position that you are in?" They were warned that it would be like this and that is how it has turned out. However, one has to rise above that personal, selfish, unworthy reaction and consider the national problem that is being engendered by the measure, which will affect not only our own constituents.

7.15 pm

The Government's attitude has been given away by the terminology that they have used. They have spoken of disguised employment that should be otherwise—that should be proper employment. It is a Canute-like attitude. They do not like the world that they find but want it to be otherwise and introduced the measure to make it so.

The world is different for a good reason. For 10 years before I was elected to the House, I worked as a systems analyst for a large bank. That 10 years spanned the change—

Mr. Campbell-Savours: Who was analysing whom?

Mr. Swayne: For the benefit of the hon. Gentleman, who comments from a sedentary position, I was analysing risk management systems and dealing rooms at the cutting edge of modern technology, so I know what I am talking about. Those 10 years spanned great change in the industry. When I started, the IT department of the bank was effectively the monopoly supplier of IT services to the bank, but the technology itself changed and became much more project driven.

We required skills that we did not have. Those skills had to be acquired from the marketplace, but, given the nature of technical change, they were necessary only for a short period so we found ourselves relying much more heavily on the contract market.

Yes, we employed as contractors people whom we had previously employed full-time. That was not because we were a bogey employer who made people redundant and then tried to find a cheap way of employing them subsequently; it is the nature of the change in technology that has driven these things. The Government's attempts to turn back the clock by altering the tax system and the national insurance framework will fail, to the detriment of the industry as a whole and to our economy.

Last night, the hon. Member for Workington (Mr. Campbell-Savours) seemed unable to appreciate the fact that—*[Interruption.]* I can remember. He seemed to be unable to appreciate the fact that people change their behaviour in response to economic stimuli. He will recall that in the debate on excise duty he would not accept that a large price differential would affect how much that people traded legally or illegally in a market. That is precisely the attitude that now seems to dog Labour Members.

I accept entirely the force of the argument that has been made by Labour Members that if the IT high-tech contractor, who has largely been the focus of the debate, suffers certain disadvantages in respect of his employment conditions—the lack of sick pay, the lack of holiday pay or whatever—he will need to be recompensed through the pay packet, rather than through the tax system. That argument has force, but Labour Members fail to appreciate that we are, in effect, in a global market. Employees and companies can consider the conditions and the tax situation that apply elsewhere.

People who have skills and are capable of moving elsewhere will do so if they perceive that the circumstances will benefit them. That was precisely what the hon. Gentleman could not understand last night about the sale of cigarettes. It is also precisely what he cannot understand about the IT industry and how people move in response to economic stimuli.

Mr. Bercow: My hon. Friend is developing a powerful argument. Does he agree that for someone who ceases to be an employee of a company thereafter to become a consultant to that company is both commonplace and entirely unobjectionable? Is not the fact that it strikes Labour Members as so bizarre merely testimony to the fact that the great majority of them have only ever worked either in the public sector or for pressure groups and regard any other pattern of employment with incredulity?

Mr. Swayne: I often found myself having to acquire specific skills in order to manage a particular project. If someone who had previously been in the employment of my organisation was available in the marketplace, that person would be my natural first choice because of his knowledge of the organisation; so it is entirely proper that such people should be so employed.

Further to my point about economic stimuli, Labour Members fail to take account of the fact that we are desperately short of certain skills, and if we drive people with those skills abroad we will all suffer. Labour Members have continued to deny the fact that those

people will indeed move abroad. As my hon. Friend the Member for Croydon, South (Mr. Ottaway) pointed out, they have done so and are doing so simply in anticipation of the proposed changes. I know that it is extraordinary for some Labour Members to consider that anyone would uproot themselves from England and go to Holland, for example, and have to live with brass money and wooden shoes. However, the reality is that people will move overseas, despite the prejudices of Labour Members. It is an extraordinary little Englander attitude from a party that claims to be so communautaire.

Dr. Vincent Cable (Twickenham): I should like to say a few words in support of my hon. Friend the hon. Member for Kingston and Surbiton (Mr. Davey), who originally called for this debate. The speeches that we have heard this evening have vindicated that request.

Difficult though it may be, given the way in which the debate has proceeded, it might be useful to identify what are admittedly rather limited areas of common ground. There is some acceptance among Labour Members, at least formally, that there are people working in the IT industry and the offshore oil industry who are self-employed, even in the narrow terms defined in the Inland Revenue regulations and in tax law. I believe that the estimate is that something like 20 per cent. of the current IT contractor population will be given self-employed status. The phenomenon of the self-employed contractor is acknowledged to exist, but I am interested in why the figure of 20 per cent. has been used. It may be larger or smaller and I should like to know why it has been defined in that way.

Conservative and Liberal Democrat Members fully acknowledge that there are cases of abuse and that there are people who are trying to avoid tax by creating single-person companies. It is absolutely right that any Government should try to deal with those cases. That is common ground among Members on both sides of the Committee. We are concerned about the others—it may be a large group of people—who fall between the two categories. Essentially they fall into two groups, as the hon. Member for Aberdeen, Central (Mr. Doran) said. Some people are involuntarily working in the sector mainly because of their age. The IT industry is a very young industry in which anybody over 30 is considered old. Many people are forced out of organised employment and have to accept frequent and multiple contracts. They have to accept the risks, but they cannot define themselves as self-employed, as the hon. Member for St. Helens, South (Mr. Bermingham) argued they should, because of the nature of their work, which the hon. Member for New Forest, West (Mr. Swayne) explained. They mainly undertake project work, which means that they are likely to fail a control test as they work as part of a team under a project manager, probably for several months at a time. Such people are involuntarily in the position of self-employed service companies and they will be hit the hardest.

The second category comprises people who have consciously chosen that life style. They are willing to accept the risks and the fact that they have no job security, no guaranteed employer contribution and no national insurance contributions. They take all the risks in order to enjoy the flexibility of that life style, but, because of the way the tax law operates, they cannot be classified as self-employed. Those two groups of people, who are not tax avoiders, and who under no circumstances can be described as such, will be hit the hardest. That is why there is such strong feeling among Opposition Members.

As it is such a grey area and the big arguments of principle have already taken place, many of us are looking for some sign that the Government recognise that a large number of people are on the margin, and are prepared to show some flexibility in dealing with them. They could do so in two main ways. First, they should recognise the force of the arguments about the limited nature of the 5 per cent. allowance. Many of the people to whom I have spoken can produce their accounts showing expenses of up to 20 per cent. Even if one discounts a little, expenses are generally considerably more than 5 per cent., for reasons that have been set out in some detail.

In addition, the Government should show some flexibility in the way in which the Inland Revenue deals with individual cases. My understanding is that some people could face penal charges if, quite accidentally, they classified themselves as self-employed and were subsequently determined not to be. I believe that the Inland Revenue sets itself five years to determine whether the self-employment principle applies, and people who are subsequently found to be in the wrong category after a year face tax penalties. That seems absolutely wrong. If someone has made a genuine mistake, the tax that they have paid should be credited to their eventual account.

Mr. Bercow: The hon. Gentleman and I agree that it would be better not to have these proposals at all. However, will he clarify whether he is advocating a larger blanket expenses limit to take account of the concern that the proposed limit is not adequate, or suggesting the operation of a taper, which might have some merit, but would be administratively highly burdensome?

Dr. Cable: I take the hon. Gentleman's point that it would be burdensome. If I were making a recommendation, it would be for the former.

Finally, one point that emerged from the discussion a few moments ago related to the total tax take, which is now estimated to be £900 million. When we discussed the matter six or nine months ago, the figure cited was £450 million. Will the Paymaster General explain why the estimate has changed so radically? Is it because, as I rather suspect, the conditions and exemptions will be much more narrowly drawn, so the tax base will be significantly higher? Is it based on some sort of calculation of how much leakage there will be in terms of people leaving the profession? This is a genuine question; I do not know the answer. It would be useful to know why this tax measure, which was initially introduced as having a modest tax take, is now approaching the £1 billion mark.

Dawn Primarolo: I thank the hon. Member for Twickenham (Dr. Cable) for his calm approach to an important discussion. I know that he has worked hard. He has written to me and has come to see me to discuss the issues. That is in marked contrast to other speeches from Opposition Members. I hope that I will be able to deal with all the points that have been raised, but if I do not manage to do so, I am sure that the hon. Gentleman will intervene.

[Dawn Primarolo]

Let me start with the points on which we appear to agree. I shall quote from *Computer Contractor*—a magazine that seems to be very relevant to the debate, as we are talking about information technology contractors. Under the headline "Make hay while the sun shines", it states:

The optimum salary to draw this year is £4,335, which covers your personal allowance . . . I know a lot of readers will be worried about the minimum wage. Although this does not apply to company directors . . . it is highly unlikely that any contractor will be served with a notification.

Beg, borrow and steal to avoid paying higher rate tax this year. Next year you will not be able to avoid it. You should recognise your company for what it is, a tax haven.

7.30 pm

Many quotes have been given in the debate. I shall quote from a letter to *The Independent* written by someone who has worked in the IT industry for 27 years. He said:

Although there are many honourable exceptions, the majority of—

service company workers—

were cynically taking the rest of us for a ride . . . They should admit defeat gracefully and be grateful for all the years in which they got away with their rip off on society. The Government is to be congratulated for making them contribute their fair share towards the funding of our hard-pressed public services. *[Interruption.]*

Opposition Members can heckle as much as they like. Today, so far, all that they have done is repeat the well known arguments of one organisation—the Professional Contractors Group, which was established exclusively to campaign against the proposal. People in that organisation have a vested interest in not wanting the provision to be applied.

Sir Nicholas Lyell: Will the Minister give way?

Dawn Primarolo: If the right hon. and learned Gentleman will allow me to make this point, I shall happily give way to him.

The points made in the debate have dealt with whether the companies are entrepreneurs; whether the definition of self-employment correctly reflects the labour market in the sector; whether the people concerned are entitled to benefits; whether there will be a brain drain; what Australia is doing in its legislation on the matter; whether the proposal is discriminatory in any way; whether there has been consultation; whether it is an attack on large business—

Mr. Bercow: Small business.

Dawn Primarolo: Yes. The points also dealt with whether small businesses are being assisted in meeting training costs; whether there will be a legal challenge to the proposal; and the issues that the oil industry has raised. The right hon. and learned Member for North-East Bedfordshire (Sir N. Lyell) also made some points on self-employment status and the 5 per cent. deduction for training costs. I hope to deal with all those points as calmly and clearly as the Committee will allow me to do. First, however, I shall be happy to give way to the right hon. and learned Gentleman.

Sir Nicholas Lyell: I am most grateful to the Minister. Does she realise that the constituents who have come to see me on the matter have all made the point that they pay themselves substantial salaries, on which they pay tax? Plainly, they do not fall into the categories described in the two quotations that she has given. They are deeply concerned about the 5 per cent. limit because, among other things, they have genuine expenses that are far higher than that figure.

Dawn Primarolo: I am grateful for the right hon. and learned Gentleman's comments, as I wanted to deal with that point. The objective of some of the speeches made in this debate and of the arguments made by some vested interests has been to spread fear and misinformation about how the arrangements will work. Although I hope to deal clearly with those points in my speech, the Committee will have other opportunities to deal with them.

In the past 12 months, much information has been published about our proposals for tackling tax and national insurance avoidance by service company workers and others who provide services to clients through intermediaries. I think that it is fair to say that the general objective of our proposals is pretty well understood now. We want to stop people who are really the same as employees from dressing up their working arrangements by setting themselves up as a service company to avoid paying the correct level of properly due tax and national insurance.

As I said, individuals are not entitled to choose self-employed status simply because they fancy being self-employed. There are clear precedents and case law defining "self-employed" and "employee". The proposal seeks clearly to align rights, so that if someone is an employee, he or she is entitled to all the rights of an employee and will be defined as such. Conversely, if someone is self-employed, he or she will continue to receive all those other rights.

I fear that many of the companies with which the right hon. and learned Member for North-East Bedfordshire has been in contact are under a misapprehension about how the rules will affect them.

Sir Nicholas Lyell: If the Minister, by saying that those companies are under a misapprehension, means that they do not need to worry because they will be accepted in the status that they require, why are they to be limited to 5 per cent. expenses? Does she realise that those who have come to see me—like those who have gone to see most of my hon. Friends, I suspect—are highly intelligent people performing a function in which it is not open to them to be employees, because those for whom they work do not wish to employ them as employees? Those people can do the job only through the type of service company that we are discussing, and they are being badly and unfairly hit by the proposals.

Dawn Primarolo: People who are employees will receive exactly the same treatment as every other employee in the tax system. However, we have agreed that, for those employees who seek to work through service companies, we shall allow a 5 per cent. deduction to help run those companies. Nevertheless, we are saying that they are employees. If they are self-employed, the 5 per cent. deduction will not apply to them because they

have access to all the other reliefs, as ably explained by my hon. Friend the Member for St. Helens, South (Mr. Bermingham).

Mr. Ottaway: Can the Minister confirm that people who are caught by IR35 and end up paying class 1 national insurance contributions will not be in the same position as "an employee" as they will not be entitled to sick pay and other benefits that employees receive, and that they will not be entitled to unemployment benefit between contracts?

Dawn Primarolo: If a worker is designated as an employee and is paying national insurance contributions as an employee—which is the whole purpose of the proposal—he or she will be entitled to the benefits to which any other employee paying national insurance contributions is entitled.

Mr. Ottaway *rose—*

Dawn Primarolo: I shall deal with the point in more detail later. If the hon. Gentleman will let me make some progress, and if he is still unclear on the point, I shall give way to him.

Mr. Ottaway: It is on this point.

Dawn Primarolo: The problem is that hon. Members have asked various questions, but are refusing to allow me logically to develop the answers and explain the procedure. Do they want to hear the answers or only to ask more questions?

Mr. Ottaway: I was merely quoting from the Inland Revenue's own guide on the matter, not making up figures. Will the Minister confirm that, when someone has a relevant engagement that is caught by IR35, that person will not be entitled to the benefits of an employee?

Dawn Primarolo: I cannot understand why the hon. Gentleman finds this point so complex. If employees pay national insurance because they are employed as employees, they will be entitled to the same rights as other employees. *[Interruption.]* Perhaps I should stop looking at Opposition Members, Dr. Clark, and focus my gaze on you. I hope that you will not misinterpret that; it is just that Opposition Members are really not a very attractive prospect.

As I said, I think that the objectives are well understood now. It is true also that all right-minded citizens, business representatives, individual taxpayers and their advisers, Members of Parliament and those who are in the other place recognise—it is a matter of public record—that no one wants that type of avoidance to continue. Such avoidance simply is not fair to the rest of us, and we should deal with it.

It is also true that, until 6 April 2000, people were perfectly entitled to obtain a tax and national insurance advantage by working in that way through service companies. However, it became apparent that many of the people doing so were acting against the spirit of the legislation, to their considerable personal advantage, and at a disproportionate cost to the Exchequer. In reaching this decision, we recognised that we were proposing to remove what had been a legitimate way of reducing tax and national insurance bills. That is why we announced our intention to make this change a full year ago—to allow good time for preparation and consultation. The Government have taken extensive consultation on this matter. Even the PCG, which has been so extensively quoted, has said publicly that the Government consulted and listened on this matter. However, we have not gone as far as the PCG would have wished.

People with a vested interest in continuing to avoid paying tax and national insurance, plus one or two powerful lobby groups, have been sowing confusion about what the measure does. Let me deal first with the point made by the hon. Member for Croydon, South (Mr. Ottaway) that IR35 is an attack on entrepreneurs. The tax system has a long-established method for distinguishing between employees and the self-employed entrepreneur. Some people have chosen to use service companies because they do not fit the definition of self-employment, but still want to benefit from the tax breaks available for self-employment. They are really only employees who want a better deal from the tax system than that to which their status entitles them. Those people will be targeted by the new rules.

As I said on Second Reading, our intention is not to prohibit the use of service companies. Instead, we are telling those who are really employees that using service companies will not enable them to avoid paying their national insurance and tax at a fair level. The idea that people who are really employees are the same as self-employed people in taking risks, creating employment and seeing their companies grow simply does not stand scrutiny.

We are not talking about all service companies or all IT contractors. The new rules will apply to people in service companies who would be employees of their clients if the service company did not exist. The usual case law tests will be used to determine whether someone would be an employee. Those tests have been used for all others in the tax system and are well known. I do not believe that it is beyond the intellectual capability of those IT consultants who are still protesting to get to grips with these rules.

Mr. Malcolm Bruce: Will the hon. Lady explain how an employee who has travel and training expenses is treated in the same way as someone with a company who has those expenses? Is it not normal for the company's employer to pay those expenses and claim tax relief on them?

Dawn Primarolo: If someone is employed by a company which provides training, there is no claim on a benefit in kind for the employee, but there is no relief—the employer gets it. An employee cannot claim his training expenses—nobody can. Training expenses for employees cannot be tax-deductible. If employees pay for their training, that is up to them.

Sir Robert Smith: Will the Minister give way?

Dawn Primarolo: No.

Opposition Members must fix in their minds what employees are entitled to and what self-employed people are entitled to. We are ensuring that the rules in the tax system are properly aligned.

[Dawn Primarolo]

The next point was that there would be a brain drain—a massive exodus from this country. Many people have said that they will go abroad, but the IT industry recognises that that is just a lot of noise. Britain is still a low-tax country and there will still be good money to be made in the IT industry, even after IR35. The trade journals show what has been said by the profession. *Computer Consultant* said:

> Although many of the contractors questioned said they intended to look for work overseas, the feeling is that this is an expression of contractors' defiant anger rather than a true intention to migrate.

Christine Little of the Recruitment and Employment Confederation said:

> I cannot believe the tax advantages of working in Germany or Holland are going to be enough to justify uprooting and moving abroad.

7.45 pm

The idea that IT consultants can go somewhere else where they will not have to pay tax on their earnings is interesting but incorrect. In some countries, workers will be worse off than if they had stayed in the United Kingdom and fallen within IR35. I have received some interesting postcards from someone who allegedly moved to Germany as a consequence of IR35. I have news for that contractor: on an income of £55,000 per year, his take-home pay in Germany will be £25,000. If he had stayed here, it would have been £34,000 under IR35. His friend, who apparently moved to Strasbourg, will be taking home £30,000 instead of the £34,000 that he would have taken home in the UK. In the United States, Norway, Belgium, the Netherlands, Germany—all the countries that contractors claim that they will move to—the liability to tax is higher than it is here.

The next area is to do with the expenses and the 5 per cent. allowances proposed under this measure. The new rules will affect only income from engagements that would have been employment if entered into directly with the client. It is a question of whether an activity passes the employment test. Income from any other source within that service company is completely unaffected by the legislation and can be used by the company to meet running costs, make investments, make capital purchases, employ staff, pay dividends, or whatever.

When a service company has income only from engagements that are caught by the legislation and nothing else, we do not think it right that the service company worker should be in a more advantageous position on tax and national insurance than a conventional employee. I really cannot understand why the Committee is struggling with that simple proposition.

The 5 per cent. allowance, which is on top, is intended to cover the basic running costs of the service company, such as Companies House filing charges and accountancy fees. We have said that we will not inquire into how that money is spent, and also that the service company need not keep any records in support of the expenditure. As far as we are concerned, this is an automatic, flat-rate allowance. It is pretty generous, given that most of the work done by service companies would be as an employee.

The hon. Member for Kingston and Surbiton (Mr. Davey) spoke on Second Reading about the compliance regime. He said that he would ask me again about whether the position on IR35 would be flexible. I say to him, as I said to the Inland Revenue, that officials are to give the benefit of the doubt where businesses make genuine mistakes when trying to comply with the rules. That is only fair, given the change during this period. It is a light-touch approach. Of course, in the rare cases in which avoidance of tax and national insurance liability is deliberate and intended, the same compliance regime and penalties will apply as exist in the tax system for trying to avoid paying tax and national insurance.

Contractors working for service companies will be entitled to statutory sick pay and maternity pay, like other employees. They may not get the benefits from their clients but they may, in the short term, from their companies. IR35 does not discriminate against anybody in terms of their relationships. The regulations make it clear that we must consider associates and how they work together.

Hon. Members mentioned Australia and questioned whether it had withdrawn its legislation. It has not—it is going ahead with it and has made some amendments, as we have done, but in different areas.

Anyone who meets the accepted definition of an employee should pay tax on the same basis as any other employee. This measure is not anti-competitive and it does not discriminate in favour of big business against small firms. It is simply not true to say that it does. Again, I will quote the industry, in a debate about the measure on "Accounting Web", in which it was stated:

> I find it laughable when people who have been using the veil of incorporation to hide what is fundamentally the relationship which would otherwise exist between an employer and an employee, claim that it is somehow going to harm British business. It is not—it's going to harm their pockets.

That is what those affected are complaining about.

Sir Nicholas Lyell: I have been listening carefully to the Minister and I have read the Chief Secretary's most recent letters to me on this important topic. My impression is that the sort of constituents to whom I referred in my speech, who are paying substantial tax but sometimes work for long periods for an individual company that uses their services, will not be regarded as employees and will not be caught by IR35. Will the hon. Lady confirm that only the blatant cases are likely to be caught? Or is she expecting to scoop up the lot, in which case my constituents and those of my hon. Friends and other hon. Members who have spoken will still be very worried?

Dawn Primarolo: I have already answered that question in the debate. The question is whether the person is an employee or is self-employed. The terms and conditions of their contract with their client are the issue and those determine their status. If the relationship with the client is clearly that of the self-employed, as laid down in case law and in the Bill, the answer as to their liability to IR35 is clear.

My hon. Friend the Member for Aberdeen, Central (Mr. Doran) and the hon. Member for West Aberdeenshire and Kincardine (Sir R. Smith) asked a series of questions about the oil industry. If a worker in that industry works for a client in circumstances that meet the definition of employment, PAYE and national insurance should be paid. Until now, clients have been

able to insist that workers set up service companies—my hon. Friend referred to this—to enable the client to avoid liability for PAYE and national insurance.

I listened carefully to my hon. Friend's comments and to those of the hon. Member for West Aberdeenshire and Kincardine. I think that they will find that that definition is the issue and that was the requirement for companies, but I will reconsider those decisions carefully. *[Interruption.]* I realise that Opposition Members find two things difficult. One is a woman speaking at the Dispatch Box, because they treat women appallingly in the House. The other is that although they ask questions, they do not want the answers because they know the weakness of their case. They can heckle me all they like, but I am putting the Government's case on the record and I intend to continue to do so.

The final question asked by the hon. Member for Twickenham concerned the figures in the Red Book and the increase in the first year to £900 million. He will see from our original assessments that we estimated the number of companies that were using the loophole as we described. We were challenged about the estimate by the hon. Gentleman and a number of organisations. I asked the Inland Revenue to assess thoroughly through our network the number of companies that appeared to be using that mechanism, and which would therefore be affected. That is where the new £900 million figure came from. In truth, the avoidance mechanism is being used far more extensively than we had thought, and the Government have moved to close that loophole.

I commend the clause to the Committee and I look forward to what I hope will be more good-natured debates on the same subject in the future.

Mr. Ottaway: The problem is not that we do not listen to the answers; it is that the Paymaster General does not answer the questions.

The Inland Revenue published a leaflet called, "Questions frequently asked about IR35", which makes it clear that an individual who works through a personal service company will not be in the same position as an employee while both are paying class 1 national insurance contributions. That person will not be entitled to benefits from the company or to unemployment benefit between contracts. The most honest thing that the Minister could do is admit that, rather than trying to mislead the Committee into thinking that people will be in the same position.

The hon. Lady did not answer the question posed by my right hon. and learned Friend the Member for North-East Bedfordshire (Sir N. Lyell) about the 5 per cent. Most importantly, she did not deal with the fact that the Red Book estimates that the measure will raise £900 million. Inland Revenue documents state that 60,000 companies will be affected. One does not have to be a genius to work out that every one of those companies will have to pay £15,000 a year extra in taxation.

The hon. Lady did not deal with any of those issues, nor did she deal with the fundamental matters raised by hon. Members on both sides of the Committee, despite the objections of the hon. Member for Aberdeen, Central (Mr. Doran). That is why we will vote against the measure.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 252, Noes 147.

Division No. 177] **[7.57 pm**

AYES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Alexander, Douglas
Allen, Graham
Armstrong, Rt Hon Ms Hilary
Atherton, Ms Candy
Austin, John
Banks, Tony
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Blunkett, Rt Hon David
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Butler, Mrs Christine
Byers, Rt Hon Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Cann, Jamie
Caplin, Ivor
Caton, Martin
Cawsey, Ian
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Ellman, Mrs Louise
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foulkes, George
Fyfe, Maria
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Howells, Dr Kim
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keen, Alan *(Feltham & Heston)*
Khabra, Piara S
Kilfoyle, Peter
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Lepper, David
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Rt Hon Mrs Helen
Lloyd, Tony *(Manchester C)*
Love, Andrew
McAvoy, Thomas
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John

McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Meacher, Rt Hon Michael
Meale, Alan
Michael, Rt Hon Alun
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Sir John *(Aberavon)*
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ryan, Ms Joan
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tynan, Bill
Vis, Dr Rudi
Ward, Ms Claire
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wilson, Brian
Winnick, David
Wood, Mike
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Mr. Robert Ainsworth and Mr. Don Touhig.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baldry, Tony
Ballard, Jackie
Beith, Rt Hon A J
Bercow, John
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Butterfill, John
Cable, Dr Vincent
Campbell, Rt Hon Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Faber, David
Fabricant, Michael
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Prior, David
Robathan, Andrew
Robertson, Laurence
Robinson, Peter *(Belfast E)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Russell, Bob *(Colchester)*
St Aubyn, Nick
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Thomas, Simon *(Ceredigion)*
Tonge, Dr Jenny
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Waterson, Nigel
Webb, Steve
Welsh, Andrew
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wigley, Rt Hon Dafydd
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Eleanor Laing and Mr. Peter Luff.

Question accordingly agreed to.
Clause 59 ordered to stand part of the Bill.

Clause 102

DOUBLE TAXATION RELIEF

Question proposed, That the clause stand part of the Bill.

Mr. Oliver Letwin (West Dorset): I should begin by declaring the interest that stands in my name in the

Register of Members' Interests, which apparently gives me the unfortunate and dubious advantage over some representatives of Her Majesty's Treasury of understanding the effect that clause 102 will have on British industry.

Mr. Graham Allen (Vice-Chamberlain of Her Majesty's Household): Is that a recommendation?

Mr. Letwin: I do not know whether the hon. Gentleman will find by the end of my remarks that it is or is not a recommendation. It makes one so profoundly miserable about the process of our government when one understands the way in which the measure came to pass and what it contains that I am left regretting that I understand it.

Mr. Allen: It makes one want to clear off back to the City.

Mr. Letwin: It would be precious little use obeying the hon. Gentleman's usual sedentary animadversions, because if the measure were to have its way, a good part of the activities of the City would be removed at a stroke.

It is surprising in many ways that we are having this debate, because the measures in clause 102 and schedule 30 have been the subject of probably the most sustained and intellectually effective destruction job on a tax measure of the past few decades. Yet we are having a debate because the measure still stands.

The Committee will want to know the history of the measures. We are told something about them in the explanatory notes. I should say in defence of the Treasury, which I am otherwise about to excoriate, that the notes on clauses in this respect are an admirable example of clarity. The officials who wrote them deserve the thanks and congratulations of the Committee for making clear just what is going on in this noxious clause. Paragraph 42 of the notes on clause 102 and schedule 30 makes a statement which is as near to misleading the House as I suspect that parliamentary language will allow me to allege. The statement is:

> The measures contained in Schedule 30—

and hence the subject of clause 102—

> have been drawn up after extensive consultation with business.

That is an oddity. It is perfectly true that there was extensive consultation with business—one of the more extensive consultations that has been carried out in respect of any tax measure in the Bill. Unfortunately, it was consultation on a different proposition.

It is an interesting concept of consultation that we have here. I might consult you, Dr. Clark, about the prospect of my giving you cornflakes tomorrow morning for breakfast. You might tell me that you prefer Frosties. But if my intention was to electrocute you, I might not have discovered everything that I wanted to know about your response to my proposition. The Government's consultation is a somewhat similar case.

I may say also in defence of Inland Revenue officials that the consultation paper is a model of intellectual rigour and one of the loci classici of exposition of the advantages of export of capital neutrality. The document goes through in awesome detail systems of exemption, systems of credit, systems of onshore pooling and systems of mixing. It comes to the view, in section 6.32 on page 29, that

> Mixer companies have been in use for a considerable number of years. Multinational groups have structured their overseas interests accordingly. Relief for underlying tax, which mixers facilitate, of around £4 billion a year is allowed each year. Both mixer companies and onshore pooling present a number of interesting and complex issues of both an economic and a technical nature. It will be important for the future to strike the right balance between them.

So what the Inland Revenue said to British industry in one of the longest and most detailed consultation exercises in recent years was that it was important for the future to strike the right balance between mixer companies and onshore pooling.

Looking round at some of the distinguished Members present, some of whom have served in Ministries and some of whom have been enormously important members of the Treasury, I am sure that they already understand the measure, but in case anyone has the slightest shade of doubt about what clause 102 and schedule 30 do, I inform them that they prevent the practice of mixing. In other words, they prevent the averaging of the rates of tax incurred in foreign jurisdictions by the subsidiaries of a multinational company, and thus, by means of such averaging, a greater offset against United Kingdom tax than would otherwise be the case. There are two methods of achieving that greater offset. One is through mixer companies, which are artificially established subsidiaries offshore, and the other is through the method of so-called onshore pooling, which achieves the same effect but within the United Kingdom tax jurisdiction.

So two possibilities were put in the consultation exercise, either of which would serve admirably the purposes of British industry and of multinationals located and headquartered here. British industry was asked to reply to the consultation document and tell the Inland Revenue which of the two systems was preferable, or whether some other system that would roughly speaking achieve the same results was preferable. That was an admirable and sensible exercise—but what happened when clause 102 came along? Why, Dr. Clark, not the cornflakes but the electric shock. It turned out that the effect of clause 102 was not mixer companies, onshore pooling or something similar to them, but the opposite. It was to destroy at a stroke the system of averaging offshore tax rates, in order to clobber British industry headquartered here with multinational outlets and subsidiaries.

In passing, I might mention that the process that I have described contravenes the Government's own code of practice. I do not think that the Government believe that codes of practice matter. They are prolific in producing codes of practice. When they came to power, they produced more codes of practice than probably all the Governments of that century put together—so many that Ministers probably cannot keep up with which codes of practice they issued or what those codes say.

In December 1997, with a great flourish, the part of the Treasury for which the Paymaster General is responsible—the Inland Revenue and Customs and Excise—introduced a code of practice on consultation. I do not know whether anyone reads these codes of practice inside ministerial offices. I have no doubt that people read them inside the Inland Revenue; they probably they live by them as a kind of bible. I have no doubt that when Ministers conducted the consultation exercise, they

[Mr. Letwin]

intended that it should conform to their code of practice on consultation exercises. So I suppose that when they asked people whether they would prefer mixing or pooling, Ministers genuinely meant to choose the one or the other.

It would have been a good idea if they had done that, because page 6, section 3 of the code of practice tells the people consulting on behalf of the Inland Revenue that they ought to assess

the likely effect on tax revenues

of the measure being put forward. It is a little difficult for an industry that is being consulted to assess the likely effect on tax revenues or its tax payments of a measure about which it is not being consulted.

You are learned in many respects, Dr. Clark, and I wonder whether you would find it easy to answer if I were to ask you what would be the tax effect of increasing your income tax by 5 per cent. when what I really wanted to know was what would happen if I increased your income tax by 50 per cent. You might be forgiven for giving me an odd answer. That is what happened in the case of British industry. As it was asked not what would be the effect of the measures in clause 102 but what would be the effect of some other set of measures that have not been implemented and are the opposite of the measures in the clause, it did not give the answer that is required in a consultation exercise. That is probably why the Government misestimated the effect of the measure on their tax revenues.

When I say that the Government misestimated, I do not mean that they got it wrong by 5 per cent. or 10 per cent. Goodness me, no Opposition Member would be so ungenerous to the Paymaster General as to suppose that she could make an accurate forecast of tax revenue. No Chancellor of the Exchequer, no Paymaster General and no Financial Secretary has ever been able to do that. People get it wrong by 20 per cent., 30 per cent. or 50 per cent. All of those are accepted, but this is not a case of getting it slightly wrong. This is a positively heroic error. I cannot recall a time in recent history when such an error has been made. They got it wrong, roughly speaking, tenfold. If the Chancellor of the Exchequer got things wrong to that extent in general, he would bankrupt us and use up our gross domestic product about five times over. It was quite a mistake to make. If such mistakes were generally made about taxation, one could produce some interesting economic effects. Why did the Treasury make the mistake? It made it because it consulted on the wrong measure—the opposite measure. Therefore it did not have the slightest idea what the effect on taxpayers would be.

I say all those things not just because they are important in themselves, but because they relate to the reason why we have a code of practice. Of course, Ministers may have intended the code to be just window dressing, but they sent some earnest officials away to write it. Those officials wrote it sensibly, got down to business and worked out what one should do if one is consulting. They worked out that if one is consulting about tax, it is jolly nifty to find out what the effects on industry will be. Therefore, they said that one should ask that question—but the Treasury and the Inland Revenue did not ask it because they asked a question about a set of measures that they were not proposing to introduce and did not introduce. Perhaps the Inland Revenue intended to introduce them, but the Treasury did not; I shall come to that point shortly.

Mr. Edward Davey: Will the hon. Gentleman confirm that the code on consultation allows the Government to introduce anti-avoidance measures without consulting, but that the Government have explicitly said that these measures are not about anti-avoidance?

Mr. Letwin: The hon. Gentleman, as so often on these matters, is absolutely right. First, this is not an anti-avoidance measure. Secondly, it does not tackle avoidance. Thirdly, the Government have admitted that, and fourthly, as he rightly said, the code specifically exempts anti-avoidance and some other measures from consultation. For example, it exempts measures that would be evaded if consultation about them took place.

However, this clause does not fall into that category. It is a classic case of a highly complex and important tax measure being introduced, about which there should have been consultation, and about which the code says there should have been consultation. There was no consultation, because the consultation took place about something else—the opposite measure.

I have written today to the Cabinet Secretary to ask him what is to be done about a Department that breaks its own code of practice. I have asked him what administrative sanctions apply, what a Department should do when such a contravention comes to light, and how its accounting officer should behave.

I have also asked the most important question. Hundreds of highly paid individuals in British industry—this is not my major point, but it is important—have spent a couple of years thinking about what the Inland Revenue has proposed, and they tried to answer its question. They spent a lot of time with their advisers, and that is expensive time. Perhaps it is some of the most highly paid time in the country, but all that was a total waste of time and money because they answered a question about cornflakes when they were facing electrocution.

I have asked the Cabinet Secretary what administrative redress and what ex gratia payment the Treasury and the Inland Revenue will make to people who have wasted their time because of a consultation exercise about the wrong thing. If the answer to my question is, as it may be, that there is no such redress, my advice to those sections of British industry would be to bring a class action and to test in court whether there can be redress in such a case. There jolly well should be.

I have outlined the history of the consultation exercise. I now come to the brilliant measure itself. How does it achieve its intended result? What is its intended result?

Mr. Stephen Dorrell (Charnwood): What is the purpose of the measure?

Mr. Letwin: That is exactly the right question. What is the measure's intended result? I admit to a profound perplexity on this matter. It is possible, although I hardly dare allege such a thing in such an august assembly as this, that the person or persons who invented the measure—I do not think that they are in the Inland Revenue at all—intended that it should raise a lot of extra money for the Exchequer. I hardly dare allege that,

because Ministers have denied it repeatedly and I know that they are honourable. However, someone somewhere in the Treasury—not a Minister, but certainly not in the Inland Revenue, because it consulted about the opposite change—had the brilliant idea that he could invent the most complicated and stealthiest tax of all time—a tax that he hoped no one at all would understand, which would raise a large sum of money. That is one possibility.

The intervention of my right hon. Friend the Member for Charnwood (Mr. Dorrell) is particularly apposite to the other possibility, and my right hon. Friend the Member for Fylde (Mr. Jack) made the point forcefully on Second Reading. It is also possible that this is a simple case of a catastrophic administrative error, and the measure has no aim at all. The Government have not the slightest intention of achieving the results that it will achieve, or any other discernible results. They might simply be engaged on an acte gratuit to prove that one can be an existentialist Treasury. That is a possibility. Surely, we should follow the dictum that, when one has looked in all the possible places and not discovered the true answers—we know that they are not true because Ministers have denied them—we have to look in the impossible places. Therefore, I suggest that it is possible that the measure is an arbitrary action or a knee-jerk reaction. If so, it represents an interesting departure in administration. If tax policy is to be conducted on that basis—without warning and with or without consultation, but perhaps with consultation on the opposite—we may discover that all sorts of taxes are changed in the coming years. I rather look forward to that. It will be fun to stand at the Dispatch Box and watch them go by as one watches the symbols on a one-armed bandit.

The Temporary Chairman (Dr. Michael Clark): We are captivated by the hon. Gentleman's hypotheses, but we would be even more engaged if he discussed the substance of the clause.

Mr. Michael Jack (Fylde) *rose—*

Mr. Letwin: Before I give way to my right hon. Friend, may I wholly accept your admonition, Dr. Clark? I shall return to discussion of the clause.

Mr. Jack: I am grateful to have the opportunity to enable my hon. Friend to get back on track. He may recall that on Second Reading the Paymaster General gave us a hint of the missing reason for the proposal. In some way, it would have a remarkable effect in lowering high tax rates in other tax jurisdictions. Has my hon. Friend had a chance to consider the validity of that line of argument?

Mr. Letwin: I am now about to come to something really astonishing. This point relates directly to the clause, but my right hon. Friend and I are both suffering from an important form of selective amnesia. I have exactly the same memory as him of what happened in an exchange on Second Reading, so I read the *Hansard* report of what the Paymaster General said in response to him on Second Reading. Strangely enough, the report appears to be slightly different from my memory. I know that *Hansard* is always accurate, so my right hon. Friend and I—I assure you that we have not discussed this with each other, Dr. Clark—must have suffered from a collective hallucination. I am glad of that. If the Paymaster General had said what we mistakenly supposed—contrary to the *Hansard* record—that she had said on that occasion, she would have said something so manifestly ludicrous that it would have been impossible to imagine that it could have come from a Minister of the Crown.

The Temporary Chairman: Is this hypothesis No. 2?

Mr. Letwin: No, Dr. Clark, because I shall come on to what the Paymaster General said in *Hansard*, which is one of the arguments now being alleged for the clause.

I hope that I can end this excursion simply by saying that I am unclear about what on earth the Government are trying to achieve by the clause. Therefore it is difficult to tell whether it will achieve its aim. However, it is clear what it will achieve. First, it will clobber British industry for about £4 billion a year—I may be wrong, but I am not wrong by the scale on which the Chancellor was wrong. It might be £3.5 billion—I shall grant the Paymaster General that—or it might even be £3 billion. There is not a serious set of accountants or business men in Britain today who think that the figure is much less than that.

When Pricewaterhouse first referred to that effect of the clause, the Government did something that takes us beneath the level about which we should joke. Instead of answering the point and investigating it seriously—to do them justice, I think that they have begun to do that, and I shall discuss the reasons why shortly—they impugned on the Floor of the House the honour and professionalism of a serious professional who is one of the partners of Pricewaterhouse. I regard that as gross abuse of parliamentary privilege. The Paymaster General should take that back on behalf of the Government or repeat it outside the House of Commons, which would mean that she would be sued for a serious amount of money.

Mr. Beard: Is the hon. Gentleman suggesting that when PricewaterhouseCoopers was asked for instances of companies that would suffer from the proposed legislation, it was not able to quote even one?

8.30 pm

Mr. Letwin: The hon. Gentleman, no doubt honourably and genuinely, is entirely misled about what happened within the Treasury. If necessary, I am prepared to go into the details of what happened, which I happen to know. I will not detain the Committee with that because I now propose to list those who have said exactly what the effects of the proposal will be—

Mr. Beard: Subsequently.

Mr. Letwin: The hon. Gentleman tries my patience. It is true that the responses were subsequent, but 24 hours subsequent to the visit and before the Paymaster General's statement in the House. If we were to get to the seriousness of the matter, things could become very uncomfortable for Ministers.

We now have absolute clarity about what British industry thinks of the proposal. I will start with the

[Mr. Letwin]

Institute of Directors. I suppose that Labour Members will think that it is prejudiced. However, it is pretty moderate on the subject. It states that it is

a further blow to UK-based multinationals . . . The Government should withdraw this paragraph from the Finance Bill . . . and have a proper consultation prior to the Finance Bill 2001. The consultation in 1999 bears no relation to the UK system as amended by this paragraph, and is therefore worthless in this context.

I know that the CBI will be dismissed by some Labour Members as a mere collection of capitalists. However, what does it have to say about the matter? It states:

This clause introduces Schedule 30 containing a draft of radical and unheralded changes to the existing law on Double Tax Relief, particularly in relation to restriction of relief involving mixer companies. The biggest problem which business has with the provision is their adverse effect on the international competitiveness of businesses located in the UK.

I shall return to that point in a moment. The CBI continues:

Companies of different sizes across the sectoral spectrum, whose business is vital to the success of the UK economy, have raised concerns about the adverse impact of the proposals.

Forty of the CBI's companies, a small fraction of those that will be affected, are estimated to be losing about £700 million a year.

The CBI continues:

Specific problems are discussed below but the overall effect of the adverse changes . . . has been to create a situation where a number of commentators, including companies which have contacted the CBI, are saying that the UK will now have one of the worst, if not the worst, double tax regimes amongst the G7 nations.

What does the Association of Corporate Treasurers have to say?

Mr. Jack: Before my hon. Friend departs from the point about foreign jurisdictions, will he note that in response to a parliamentary question that I tabled to the Paymaster General, inviting her to put on record what information the Treasury had about foreign tax jurisdictions in this context, she was unable to supply any?

Mr. Letwin: I am grateful to my right hon. Friend. I had noticed that. That is why later I shall supply the information for the Treasury; I think that he is already in possession of it. If it had looked into the matter, I am sure that it would have discovered what the Inland Revenue already knew. As the Treasury was introducing a measure, the opposite of that which the Inland Revenue had been consulting about, it is quite possible that it did not want to ask the Inland Revenue what the effect of the measure that the Inland Revenue thought that it was not introducing would be if it were introduced.

The Association of Corporate Treasurers tells us that the announcement on 21 March

of the sweeping and fundamental changes to the double tax relief . . . system took the entire business community by surprise . . . these changes reduce the UK's competitiveness as a base for multinationals . . . The suddenness of the change and its fundamental nature is extremely disconcerting.

I do not know whether the association is also regarded as a dangerous group of lunatic capitalists, but the Chartered Institute of Taxation really cannot be put into that category by the Paymaster General. She spends most of her time in the House of Commons telling us how she will close loopholes, apparent loopholes or what seem to her to be loopholes, that will destroy other sections of British business, on the ground that the institute has told her to do so. The institute, her favourite body, tells us:

In the discussion paper dated March 1999, and in discussions with the Inland Revenue International Division—

that is an important point in itself because it mentions not just the paper but what was said after it was issued—

the impression was given that offshore mixer companies were accepted and that, indeed, some form of onshore pooling was being considered. In the event, the proposals go in the opposite direction. This calls into questions the bona fides of the consultation process and the way in which the Revenue and the Treasury work together in relation to taxation policy decisions.

We have begun to hear what will be the prolonged murmur of companies that are thinking of re-siting their headquarters away from the UK. Zurich Allied cited its reasons a few days ago; today, it is SmithKline Beecham. Whatever the Paymaster General may care to do to an innocent partner of a major accounting firm when he raises the truth, I doubt that even she will want to assert that those companies, which between them employ thousands of people in this country, are to be neglected, ignored or abused. We have the seeds of a serious malaise in our economy; they have been sown by a provision that is unheralded and unannounced, and about which there was no effective consultation.

Why did it happen? Part of the reason, probably, was that the Inland Revenue was genuinely and honestly moving in an entirely rational direction. From what we can gather, an economic adviser in the Treasury then had a bright idea. It was suggested to Ministers that they could make a large amount of money very easily and quickly from a source that had not been the subject of the initial levy when the Government first came into power, but which was mighty rich. The Ministers were told that it would never be defended in public because no one would have the gall to do so. That was because the source was nasty capitalists coming from abroad called multinational companies. I think that that is what happened.

Was the process by which it happened respectable? No, it was not. I have dealt with that already. Regardless of the merits of the measure, the process was disreputable. Much more important is the question whether it is substantively tolerable. What are the Government's arguments for taking £3 billion, £3.5 billion or £4 billion a year off the multinationals that are headquartered in the UK, and do they stand up to scrutiny? The first argument is that the figures are all wrong, and unfortunately that argument is right, but it backfired. As I have pointed out, the figures that are wrong are those of the Government, and the measure makes a huge hit on the multinationals headquartered in Britain.

The second argument has not been made here, but I suspect that it has been made in some quarters in the Treasury, and it is rather more ingenious. The hon. Member for Kingston and Surbiton (Mr. Davey) will enjoy this argument, which is parallel to some of those used during the proceedings on the Government Resources and Accounts Bill. It runs as follows: multinationals currently headquartered in Britain are shackled by the ingenuity of the capital gains tax arrangements because they cannot move their headquarters abroad without crystallising a huge capital gain arising from the difference between the historic cost

of the subsidiaries that they have acquired and their current market value. We can therefore sting them for £3 billion, £3.5 billion or £4 billion because they will not be able to leave these shores and we will not suffer the adverse effects that would be caused by their doing so.

That is a curate's egg of an argument—some parts are good and other parts are not so good. The bit that is good is that it is true. The ingenuity of the capital gains tax system means that existing multinationals with old acquired subsidiaries are shackled to this country. That is not an unusual arrangement; most countries have it. Those companies cannot get out because if they tried to do so they would have to pay the Chancellor a whopping bill—which would probably be greater than the one that we are discussing—all at once, and he would be a happy man. He could put away another several billion pounds to pay off national debt or to spend on the national health service, à choix.

There are two slight problems with the argument. The first is that not all the major multinationals acquired their subsidiaries and assets abroad long ago: Some, such as Vodafone-Mannesmann, have recently acquired massive overseas subsidiaries. I pose as no expert on these matters, but it is not clear that they are shackled to this country. Vodafone-Mannesmann is the biggest company in Britain, the biggest company quoted on our stock market and the most important single element of the very market that the stock exchange today conjoins with markets in Frankfurt and New York.

If the measure is passed, the company might move its headquarters abroad, and if it did, what would go with it? All the lawyers, accountants and consulting engineers, all the people in the City and all those who service all those people, from tea to printing, would lose out. We are not talking about thousands, millions or tens of millions of pounds; we are talking, over time, of hundreds of millions of pounds of economic value that will be lost to this country.

Mr. Howard Flight (Arundel and South Downs): Billions.

Mr. Letwin: In the long run, as my hon. Friend says, we could lose billions of pounds.

The second slight problem concerns all the companies that are not yet headquartered here. I have personal experience of this matter, because at one stage I was restructuring INTELSAT, a satellite organisation that involves all 137 countries of the world. The question arose of where the organisation should locate the headquarters of its new privatised spin-off. The most extensive search was performed, ironically by Pricewaterhouse, on behalf of INTELSAT, to identify the countries where multinational companies would most like to have their headquarters. The two that came top of the list were the UK and the Netherlands.

What would happen today? The UK would be at the bottom of the heap. For that reason, if clause 102 is passed, an intangible and unquantifiable economic value will be lost over the years because companies that would have brought their headquarters here will not do so. They will go to the Netherlands or other countries. The idea that the measure will have no real effect because companies are shackled is just true enough to be deeply misleading.

There is a third argument, which Ministers have used and to which my right hon. Friend the Member for Fylde alluded a moment ago. Ministers have tried to claim that we will have a highly competitive regime even after clause 102 has been passed. I am not now suffering from the selective amnesia to which, regrettably, my right hon. Friend and I are subject, because I was able to find this point in *Hansard*. On 17 April, the Paymaster General said:

> when we compare how we tax our multinationals and, in particular, the use of our controlled foreign company legislation, with the practice of our European partners—

she may be thinking of places where there are many company headquarters such as Luxembourg or the Scilly Isles—

> we find that the Government's proposals are to bring us into line with the competitive practice of other countries.—[*Official Report*, 17 April 2000; Vol. 348, c. 758.]

I mention the Scilly isles because the proposition is absurd. The USA has onshore pooling and uses a general basket of offshore credits. Japan has onshore pooling via a worldwide basket. Canada exempts dividends from trading activities worldwide. France and Germany exempt 95 per cent. of dividends from significant shareholdings. Italy does likewise, but only within the EU, although that is changing in 2001 and the exemption will be universal.

Of the G7 countries, the UK, under clause 102, becomes the only one that does not have onshore pooling or exemption as a way of achieving the same effect. The Paymaster General brilliantly exposes us to be the sole candidate to be at the bottom of the heap, the one country that companies would want to avoid if they were seeking to site their headquarters in a major economy.

I do not know what the Paymaster General thought that she meant when she said:

> when we compare how we tax our multinationals . . . we find that the Government's proposals are to bring us into line with . . . competitive practice.

unless she thinks that bringing us into line with competitive practice means ensuring that we are last in the race. If that is the hon. Lady's general notion of how the UK should be competitive, we have grounds beyond the clause to worry.

8.45 pm

The fact is that the measure, which does not have the justification that it has no real cost, nor that it has no ill effect, nor that it leaves us competitive, has been given another basis by some of the Treasury's utterances: we have been told on various occasions that it is fairer. Only some companies can form mixer companies—how unfair, how wrong; therefore, we must prohibit that practice, which favours the mighty. However, a slight intellectual impediment afflicts that argument. The average fish-and-chip shop does not need to form mixer companies, because it does not have very many international subsidiaries. That point clearly eluded the Paymaster General during her investigation of the subject. It tends to be the case that, before a company has foreign subsidiaries, it becomes rather large—indeed, it becomes a multinational company. Therefore, the unfairness spotted by the hon. Lady is one that does not have the quality of existing.

The next argument advanced is that the system produces capital export neutrality. The Paymaster General and almost everyone here in the Committee knows about

[Mr. Letwin]

that, but, just in case anyone less informed is reading *Hansard*, I shall explain that capital export neutrality is an important principle: it is that we should have a tax regime that makes our companies when they invest abroad relatively indifferent to which tax regime they choose to invest under, so that they invest instead in the places where they can most efficiently produce, and that is to the advantage of our companies and their shareholders in the UK. It is an admirable aim, which the Inland Revenue consultation document states as an objective.

However, it would be extremely odd if that were the aim that really explained why the measure is a proper one. First, the Inland Revenue's own consultation document makes it clear, in paragraph 1.6 on page 6, that the overriding objective should be "the national interest" of the UK economy. Whatever the measure does for capital export neutrality, it certainly is not in the interests of the UK economy to send all the multinational headquarters scuttling. Secondly, it is not a strong argument in favour of the scheme because paragraph 3.16, on page 12 of the consultation document, makes it clear that:

> The ordinary credit system adopted by the UK and a number of other countries has the twin advantages of going some way towards achieving . . . CEN—

that is, capital export neutrality—

> for the United Kingdom economy.

In other words, the Paymaster General's argument that the system needs to be got rid of because getting rid of it is necessary for the sake of capital export neutrality has the disadvantage that her own Department denies that fact.

Finally, we come to the mystery guest—the item about which my right hon. Friend the Member for Fylde and I are suffering selective amnesia—the thing the Paymaster General never said. Contrary to the imaginings of my right hon. Friend and me, she did not say that the measure would induce foreign countries to adjust their tax rates—oh no. She said something entirely different—and I know she said it because it appears in the *Official Report* at precisely the moment that we thought she said what we thought she said. In fact, she said something quite interesting:

> The use of mixer companies has made UK investors more or less indifferent to the high tax rates in countries in which they invest—

I note in passing that she thereby exposed the fact that the system did achieve the effect of capital export neutrality that she otherwise argued it did not achieve, but leave that lacuna as well. She continued:

> and we need to change that focus—

I note in passing that she meant "We need to destroy the capital export neutrality that the Inland Revenue, in its consultation document, said we needed to create," but leave that lacuna. She said:

> we need to change that focus to ensure that we receive—

now comes the seminal phrase that my right hon. Friend and I, through our imaginings and hallucinations, never heard—

> the correct amount of tax.—[*Official Report*, 17 April 2000; Vol. 348, c. 791.]

Thus, at the end of a vast circle of imaginings, we come back to our beginning, and it turns out that the measure is, after all, a remarkable one that fits into the category that we have come to know and love—that of the stealth tax. It is designed to create a means of collecting

> the correct amount of tax—

that is, a large amount of tax. When I hear the Paymaster General and her colleagues in future talking of things that are "correct", I shall know that they mean elephantine, gargantuan, enormous. That is the amount of tax that the measure raises, and a brilliant way it is of doing so.

Mr. Jack: I am grateful to my hon. Friend for focusing on the word "correct" because his analysis has alighted on a new principle of taxation. Has he by any chance in his assiduous research come across a definition of "correct" in taxation terms?

Mr. Letwin: I would answer that most instructive intervention—except I know, Dr. Clark, that your beady eye is on me and that if I were to go into the wide-ranging lexicon employed by the Government, you would upbraid and stop me. I shall not be tempted down that line, although we must remember that

> the correct amount of tax

will always henceforth mean in the Government's jargon a very enormous amount of tax.

What will be the effect of that tax? It will be to charge those already in this country, to send some of the great new enterprises packing and to deter hereafter, virtually completely, all the highly mobile multinational companies from siting their headquarters in this country. It will try to undo the good work of today in creating our stock markets as a parallel with Nasdaq and Frankfurt; it will try to ensure that our great service industries in the financial services are destroyed; it will in fact try to destroy as much of the British economy as it can in pursuit of

> the correct amount of tax.

I must quickly add one other comment. I apologise for detaining the Committee, but it is rather interesting. The debate is in fact wholly otiose. I have not noticed the Minister intervening or asking to make a statement today, but I have noticed, because somebody has passed it to me, that a statement has already been issued to the press about the matter. We already know the answer to the debate, only it is embargoed until 22.00 which, unless I am also suffering from a hallucination, is some little while from now.

It is a strange—a passing strange—thing. We thought that Parliament was debating the matter because it might decide on it and instruct itself and because Ministers might pay attention to Parliament. No, it was not to be. Ministers decided at an earlier hour this evening how they would respond, issued a statement and embargoed it until—I regret to tell them that they may not be quite right—they imagined that we would have finished speaking. Although I shall certainly close my current remarks anon, I am slightly tempted to detain the Committee through the night so that we could read tomorrow morning the text of the statement in the newspapers, and would not have to rely merely on my possibly misleading and hallucinatory version of the release.

It is interesting that the release is as ambiguous as could be. Ministers have told the press that they will keep the measure intact but that they will delay its introduction—mysteriously—from 1 July 2000 to 31 March 2001. With

your percipience, Dr. Clark, you may be able to detect a reason for doing that, but I must admit that, with my humble intellect, I am precluded. I have not the slightest idea why, if one is to retain the measure intact and not alter any major part of it, one would want to delay its introduction by nine months. If its purpose is to create a means of collecting

the correct—

we remember, that means an elephantine—

amount of tax,

why not introduce it early? What is the point of delaying the collection of this huge, correct amount of tax by nine more months? I cannot imagine that the Chancellor of the Exchequer has suddenly become generous in his old age.

It may just be—I hesitate to speculate—that the Government's real intention behind the delay is to think again, to tear up this noxious, ludicrous, misguided measure and to start again without admitting that they are doing so. If that is so, we will not be ungenerous. We will not taunt them. We will acknowledge that that was the right thing to do. All the Paymaster General needs to do this evening is to remedy a wrong measure, wrongly introduced through the wrong consultation process, with the wrong estimates of its effects, and with the Government wrongly pretending that they are not undoing it while possibly undoing it.

The Paymaster General can remedy all that at a stroke by saying tonight, in the House of Commons, where such things ought to be done, that she is sorry; that the Government made a mistake—we are all human—that they withdraw the measure; that they will table amendments to get rid of it; that obeying their own code of practice, they will carry out a proper consultation, consulting about the measure that they intend to adopt, rather than about the measure that they do not intend to adopt; and that they will eventually produce a sensible proposal that achieves whatever mysterious effect they were trying to achieve, other than to raise the correct amount of tax. If the Government do that, we shall thank them heartily.

Dawn Primarolo: I shall begin by responding to the hon. Member for West Dorset (Mr. Letwin), who broke the embargo on information that we forwarded to the Liberal Democrat and Conservative spokespersons in order to keep those on the Front Benches fully informed of the Government's thinking on the matter.

When the Finance Bill was published, it was announced that there would be further consultation on clause 102 between then and 19 April. Given that the debate had been called for this evening, it seemed appropriate to inform the House at the earliest opportunity of the Government's decisions in their consultations with industry. When I have dealt with that, I shall return to some of the points that the hon. Gentleman made in his opening remarks.

On Budget day two years ago—

Mr. Quentin Davies: Will the hon. Lady give way?

Dawn Primarolo: I want to set out the argument, then I shall give way to the hon. Gentleman. When the Government try to ensure that representatives of the Opposition Front Benches are kept fully informed on an important issue, it is not helpful when that is used as a debating point at the Dispatch Box.

Mr. Davies *rose—*

Dawn Primarolo: With all respect to the hon. Gentleman, no, I shall not give way.

Mr. Letwin *rose—*

Dawn Primarolo: I am not sure which part of the word "no" the hon. Member for Grantham and Stamford (Mr. Davies) and his hon. Friend are having difficulty with. It might be the N or the O. I shall not give way until I have responded to the points made by the hon. Member for West Dorset.

On Budget day two years ago, the Chancellor announced that the Inland Revenue would carry out a review of the UK's system of double taxation relief for companies. That would involve a review of the functioning and the fairness of the existing system, its effectiveness in meeting the objectives of the relief, and business compliance costs, while having regard to the overall cost of the relief. I shall return to the question of cost.

Following extensive consultation with business, the Inland Revenue published a discussion paper on Budget day last year. Comments were invited by 30 September on the matters discussed in the paper and on other issues concerning double taxation relief. The Government carefully considered the points that were made by business, tax advisers and representative bodies during the review. Our decisions, together with draft legislation giving effect to them, were published on Budget day this year. A further period of consultation was allowed and we invited comments.

I note that the adviser to the Chancellor of the Exchequer under the previous Government, Mr. Troup, when giving evidence to the Treasury Committee on the double taxation changes, welcomed them. If hon. Members want chapter and verse for his remarks, I shall be happy to provide it.

9 pm

Having undertaken the consultation, the Inland Revenue and the Treasury have had a number of meetings with companies, tax advisers and representative bodies, such as the CBI. The Inland Revenue has addressed meetings that have been well attended, and a number of individual companies have discussed with the Treasury and the Inland Revenue how the double taxation relief changes will affect them. I cannot name them for reasons of confidentiality. To do so would mean identifying companies that have been using mixer companies in order to reduce their UK tax on low-taxed profits, or that have been planning to do so. The Inland Revenue and the Treasury have also received a number of letters from tax advisers and representative bodies.

The Government have taken on board all the comments and have made the following decisions. It has always been the Government's intention to allow companies a period in which to bring dividends to the UK and to claim relief for the underlying tax under the old rules. That is why the draft legislation provides for a start date of 1 July. Several

[Dawn Primarolo]

companies have asked for a longer period. They have pointed out, for example, the difficulties with minority shareholders in foreign subsidiaries, or with foreign restrictions on when dividends can be paid. The Government do not want those companies to be disadvantaged compared with others that do not have the same problems. They have therefore decided that the restriction on the relief for the underlying tax should come in from 31 March 2001.

Secondly, the schedule provides that, if a double taxation agreement expressly rules out credit relief for foreign tax, relief cannot be claimed under UK domestic law either. The amendment that we are making will ensure that provisions apply only in the case of future arrangements.

The provision that clarifies how relief for underlying taxes is allowed when a group of companies is taxed as a single entity in another country will be amended so that it applies whenever the foreign group of companies is in the ownership chain below the UK company and not just, as the draft legislation allows, where one of the companies in the foreign group is owned directly from the UK.

Finally, except in cases of abuse, the restriction of the amount of underlying tax for which relief may be claimed will not apply where the company that pays the dividends and the company to which it is paid are resident in the same country.

The Government remain committed to stopping the use of mixer companies to avoid UK tax on low-taxed foreign profits. The change extends the period for paying dividends into the UK under the old rules. The CBI welcomes those changes and will say so publicly. The Government have listened and discussion will continue.

Mr. Letwin *rose—*

Dawn Primarolo: I wish to put the record straight with regard to the points made by the hon. Gentleman on consultation, cost, what has been advised on the consultation period and what we are doing with regard to the totality of the changes. When I have answered his initial questions he may intervene.

The Opposition want to focus on one small measure, but that is part of a package of double taxation relief measures, which, in many areas, gives businesses exactly what they asked for. The relief for foreign tax has been extended when overseas companies merge, allowing foreign tax to be carried backwards and forwards for use in another year. The Government have legislated for a number of practices to improve transparency and certainty with regard to relief. Other changes undertaken by the Government—the reduction in the corporation tax rates, the extension of group rules for losses and chargeable gains, the abolition of stamp duty on intellectual property, the consultation on tax relief for the cost of purchasing goodwill, the consultation on rollover relief for gains on disposable substantial shareholdings—have all been welcomed by business.

The accusation that the change to double taxation relief will make the United Kingdom uncompetitive does not stand up. Double taxation relief is only one consideration that companies take into account when they decide where and when to set up their groups. The changes to double taxation relief need to be considered with the other elements in the package.

Let us consider the proposals on mixer companies and the controversy that has grown around them, especially on the Opposition Benches. The Government regard it as wrong that a group that holds overseas investments through an offshore holding company—and is therefore able to mix its subsidiaries' high-taxed and low-taxed profits—should able to obtain more foreign tax credit relief than if it held its investments directly from the UK.

The new rules will secure a fairer share of tax revenues for the United Kingdom; remove distortions in group structures, as groups will not be able to obtain more relief for foreign tax by adopting one structure rather than another; and remove distortions in investment decisions, as groups with low-taxed profits will be in the same position.

The previous Government knew all about those distortions. They acted in 1996 to prevent specific actions.

Mr. Letwin: Will the Paymaster General give way?

Dawn Primarolo: I shall not give way to the hon. Gentleman until I have answered his first series of points.

As soon as the previous Government shut the gate on artificially generated high-taxed profits, the avoidance industry was at work encouraging people to generate artificial low-taxed profits. In October 1998, in the full knowledge that the review of double taxation relief was in full flow, one adviser wrote an article in *Accountancy*, in which he referred to

> the eccentricities of the UK's double tax relief system, which encourages UK groups to gain tax efficiencies by using offshore intermediate holding companies.

The writer expressed surprise that the take-up rate for such holding companies among UK multinationals was substantially less than 100 per cent. He noted that many groups earned most of their overseas income in high-tax jurisdictions. How, therefore, could a mixer system help them? The writer had the answer. He advised:

> Intermediate mixer holding companies are appropriate even for these multinationals since low-taxed income may be generated within the intermediate mixer holding company itself for blending with the high-taxed overseas dividend income received. The low-taxed income can be created through establishing a tax efficient financing operation within the mixer company, which then on-lends its funds to other group companies by way of intra-group loans.

It is sad to say that we have evidence that some of the loudest opposition to the provision on mixer companies comes from companies that took that particular tax planning advice.

The Government have decided that such tax-driven distortions, which generate artificial high-taxed income one year and artificial low-taxed income the next, should no longer be a feature of the system. The new rules will also level the playing field between groups that have mixers and those that do not.

The current rules have the unintended effect of allowing other countries that maintain high tax rates to secure more tax revenues at the expense of UK taxpayers generally. They provide a subsidy from the UK to high-tax regimes.

The change will also make the UK's controlled foreign companies rules work better. The rules are designed to prevent multinationals from avoiding UK tax by diverting

profits to companies in tax havens and preferential regimes. Companies are exempt from the CFC rules if they pay back at least 90 per cent. of their profits to the UK as dividends. The assumption behind the exemption is that UK tax will be paid on the dividends and so there is no need to apply the CFC rules. However, mixing means that UK tax is often not paid on the dividends.

I cannot do better than to quote from an article published in the September 1998 edition of *International Tax Review*. It refers to mixer companies and says:

> It is much easier to repatriate low tax dividends to the UK than ever before and this has made something of a mockery of the CFC regime. What does it matter being forced to repatriate low tax dividends if no additional UK tax is payable on them?

The far-sighted writer of that article was from PricewaterhouseCoopers.

The Opposition have said that we did not consult properly, but business has known all along that mixer companies were being considered in the review. It cannot possibly have been under any illusion that that was not the case. The matter was freely discussed at meetings, as tax advisers and the Inland Revenue have said. To confirm that, in September 1998, an article in *International Tax Review* speculated that an outcome of the review of double taxation relief would be restrictions on the use of mixer companies. It stated:

> Those companies that are taking advantage of the famous "Dutch Mixer" are probably drinking at the last chance saloon. Legislation to seriously curtail the Dutch mixer could be on the statute books by 2000.

Guess which company the far-sighted writer of that article came from—PricewaterhouseCoopers.

Mixer companies were dealt with in the discussion paper that the Inland Revenue published 12 months ago. It identified all the issues that the Government have taken into account in announcing the change and noted that

> the effect of mixing is to allow a United Kingdom company to have relief for foreign tax which is paid at a rate above the United Kingdom tax rate.

It stated that the principle of mixing

> can constitute a tax-driven distortion of the way in which groups would otherwise structure themselves for commercial reasons

and added that mixing

> can also encourage a group which has highly taxed income to divert investment to low tax countries, and vice versa . . .

As the hon. Member for West Dorset said, the paper concluded that mixer companies

> present a number of interesting and complex issues of both an economic and a technical nature. It will be important for the future to strike the right balance . . .

The Government believe that the changes have achieved that balance.

In July 1999, the Inland Revenue ran a workshop for business on double taxation relief. The hon. Gentleman sought to ridicule and undermine that consultation process, but many supportive letters on the approach that it had adopted were received. One person wrote that he would recommend the Inland Revenue to extend the approach to other areas of taxation under review. Another wrote that the workshop provided an excellent format for taxpayers to understand the Revenue viewpoint and to express their own views.

In 1999, the writer of an article in *Tax Planning International Review* said that an

> unusual feature of the review is the extent to which members of the Inland Revenue's international division have discussed it in open forum.

Hon. Members might think that views have changed since then, but that point was repeated by a different commentator in *Accountancy Age* on 30 March this year—after the Budget announcement. In September 1999, the chairman of the CBI tax committee told the Treasury that the review had been extremely well organised and that the CBI had felt able to participate in a full and meaningful way. As I have said, it will welcome the changes that the Government have announced.

I shall deal with the points about the Red Book, the calculations, whether the Revenue's figures are wrong and whether there is a dastardly plot in the Treasury. The total net yield from the double taxation relief changes is estimated at £100 million in a full year. The yield from the restriction on the use of mixer companies is estimated at £150 million to £175 million in a full year. I shall explain how the Revenue achieved that forecast; the hon. Gentleman is right that nothing is perfect, but it cannot be far off.

The Inland Revenue identified 1,000 groups that claim relief for underlying tax. About 600 do not use mixer companies and so are unaffected by the change because they hold their subsidiaries direct from the UK or do not have low-taxed profits on which they want to avoid UK tax. Half the remaining 400 have mixer companies whose purpose is to mix high-taxed and low-taxed profits on their way into the UK.

9.15 pm

The Inland Revenue reworked about 200 double taxation relief claims from the companies that would most obviously be affected by the changes. Those claims involved £1.5 billion of relief from underlying tax. The Inland Revenue calculated what the effect of the changes would have been on the claims, and then applied the calculation. The Revenue has explained the methodology at meetings with business and tax advisers, and it has been agreed that that is the correct way in which to proceed.

Mr. Letwin: Will the hon. Lady give way?

Dawn Primarolo: No.

Let us now consider the effect of widely varying high tax rates. We have not been allowed to see some of the calculations, or the assumptions on which they were based. We do not know where those concerned got their figures. I can, however, reveal some interesting facts relating to how much relief we already provide, which will put the amount that companies might lose into context.

We suspect that those making the calculations are doing some double counting. Some companies may appear on the top ten client lists of more than one firm of accountants. We believe that the groups involved are deliberately adopting a worst-case scenario by assuming that they will in one fell swoop bring back to the United Kingdom all their past years' low-taxed profits, when they would never have done so in other circumstances. That is totally unrealistic. We also believe that they assume that the companies will bring back to the UK the entirety of

[Dawn Primarolo]

their offshore profits every year. That is another improbable scenario, as was pointed out in an article in *The Economist* as long ago as 1 April.

It also appears that some companies are including in their projections tax that they would have expected to save as a result of schemes into which they had planned to enter, but which have not yet been established. We have seen examples of that over the last few weeks, and it confirms that the Government are right to act now.

Some people's forecasts of the extra tax that companies will pay fail the most basic credibility tests. About £4 billion of relief for underlying tax is allowed each year. The figures in some estimates are reaching the truly absurd. I am not sure whether this has been repeated, but an estimate of between £8 billion and £10 billion has been attributed to PricewaterhouseCoopers, although it denied that quickly when challenged. The restriction on the use of mixer companies would take away more double taxation relief than is allowed in the first place, which is nonsense.

PricewaterhouseCoopers claims to have identified 20 companies which, between them, will lose £2 billion a year as a result of the changes relating to controlled foreign companies and double taxation relief combined. As usual, we have not been told which companies are involved, or what assumptions were made in the calculations. Suffice it to say that the list alleges that five of the companies will lose £300 million each. That is remarkable given that, according to the latest figures available to the Inland Revenue, only two companies in the country—which may not even be clients of PricewaterhouseCoopers, and on its list—receive more than £300 million of double taxation relief in the first place. Alleging which will be the biggest losers and how much will be lost by referring to 20 companies when we know of only two that are receiving the relief puts the figures into perspective.

Mr. Edward Davey: Will the hon. Lady give way?

Dawn Primarolo: No, because I think it important for the figures to be put into perspective, so that hon. Members cannot distort the debate.

On Second Reading, the hon. Member for Arundel and South Downs (Mr. Flight) said that the mean of the forecasts of all the leading accounting firms was that the change relating to mixer companies would raise at least £3 billion. I am not sure whether the hon. Member for West Dorset repeated that figure today, but it, too, defies belief. It is fanciful to say that the change can take away three quarters of the relief for underlying tax that is currently allowed each year.

The fact is that the figures that have been quoted have not been substantiated. No methodology has been advanced. The figures that we have for companies claiming relief do not match those figures; a simple, straightforward attack is being made on the Inland Revenue and the Treasury.

The clause makes it clear that the Government have an active policy of encouraging competitiveness, of ensuring fair relations in our tax system and, moreover, of ensuring that companies, national or multinational, are free to take decisions about their structures according to commercial viability, and not tax. For those reasons, clause 102 is the right place to make the changes and this is the right Bill for them to be in. Hon. Gentlemen simply have not got their facts right.

Mr. Edward Davey: That was one of the most defensive speeches that I have heard from a Treasury Minister. The Government realise that they are on the ropes on the issue. The U-turn that they have published tonight in the embargoed press release, from which the hon. Member for West Dorset (Mr. Letwin) read earlier, is only the first of the U-turns that I think they will be forced to make when they look at the damaging effects that the provision will have on British industry. If hon. Members sitting behind the Treasury Bench were taken in by the Paymaster General's arguments, let me throw some of those arguments back at her.

For example, the Paymaster General said that Mr. Troup, the adviser to the previous Chancellor of the Exchequer, told the Treasury Select Committee that the proposals were sensible, but she quoted selectively from his evidence. As a member of the Select Committee, I was there. I do not recollect that he was as supportive of the Government's position as she tried to make out. He said:

> As far as the policy is concerned, there clearly was a mischief in what were called "mixer companies", which allowed companies with tax bills overseas effectively to buy in low-taxed income to shelter their profits.

but he went on to say:

> Whether it is the right way of doing it I think is more questionable. I think that this can be characterised as a sledgehammer.

He went on:

> The change in the behaviour is likely to be a reduced remittance of dividends to the UK—

exactly the point that the hon. Member for West Dorset made. Mr. Troup concluded his remarks by saying:

> I am concerned as to the effects on investment decisions and on location decisions and I am concerned about the way this policy has been brought through.

The Paymaster General tried to quote Mr. Troup in support of her arguments. If she had quoted from him extensively, she would have shown that he was against the policy that the Government have been advocating tonight.

Mr. Letwin *rose—*

Mr. Davey: I give way because I believe that this is a debate.

Mr. Letwin: In contradistinction to the Paymaster General, the hon. Gentleman has no reason to fear giving way. Does he agree that it is not remarkable that she misquoted Mr. Troup, because she misquoted her own Inland Revenue consultation document?

Mr. Davey: The hon. Gentleman is exactly right. There were many mistakes in what the Paymaster General said. We will look at *Hansard*, just as he looked at the Second Reading debate. Later, we will use her arguments against her and prove many of them to be totally fallacious. Again, the example that she gave with respect to the amounts of money that could be taken out of British

industry seemed to be deliberately misleading, or perhaps I should say unintentionally misleading, Sir Alan, to keep within your constraints.

Mr. Beard: Will the hon. Gentleman give way?

Mr. Davey: I will when I have made the point, if the hon. Gentleman will bear with me.

The Paymaster General suggested that only two companies currently get the relief at an amount above £300 million per annum, but presumably she was using past data—data on tax returns for 1989-1999. Presumably, tax accountants are not using past data. They are examining the current tax year and future tax years, understanding their clients' business. That is why there are likely to be different estimates and, indeed, why those accountants cannot share that information with the Government; that would break the confidences of their clients. The Government must decide whether they will work with industry, consult properly and trust industry—which, they claim, they are trying to work with elsewhere—to build the economy, or whether they are trying to punish it.

Mr. Beard: My right hon. Friend the Paymaster General has dealt with that point in detail. She said that the Inland Revenue undertook an exercise involving all companies to which the legislation would apply and that it had worked through half of those 400 companies to try to work out the implications of the legislation. That is the source of the figures that my right hon. Friend gave, which are orders of magnitude lower than those that have been quoted elsewhere. The Government have used a perfectly respectable method of approach to the problem. We have heard nothing of anybody else's approach and no reason why that approach should be objected to.

Mr. Davey: I am afraid that the hon. Gentleman was not listening to the Paymaster General as carefully as others of us were. I understand that she was talking about historic data, not the projected data which are being quoted in the newspapers.

Mr. Letwin: I am grateful to the hon. Gentleman for giving way. He may have noticed that at that juncture—one of many—I tried to intervene on the Paymaster General in order to ask her whether, at the meetings to which she referred, it was the case, as I have heard from people who were present, that it was pointed out to the Inland Revenue and the Treasury that the base year that they were using was exceptional and hence misleading. Does the hon. Gentleman agree that it would be useful if the Paymaster General answered that question? Was that pointed out to them?

Mr. Davey: It would indeed be useful if the Paymaster General answered that question, but I fear that she will not, and that is a problem. It was very noticeable and should be on the record that the Paymaster General refused to take interventions from the hon. Member for West Dorset and myself, thereby reducing the quality of the debate and the ability of the House to get to the truth. If a Treasury Minister is not prepared to take detailed interventions on a matter of this importance, the House is in a truly awful position. We need proper debate so that we can get to the truth. The Minister ought to be able to take cross-questioning.

Mr. Beard: I thank the hon. Gentleman for giving way to me again. He has not said what criticism he has of the methodology that my right hon. Friend the Paymaster General has set out. We have heard only the vague comment that the Government picked the wrong starting date *[Interruption.]* The hon. Member for West Dorset (Mr. Letwin) is shouting from a sedentary position, but the sources that he quoted espoused figures ranging between £200 million and £8 billion. On what grounds does the hon. Member for Kingston and Surbiton (Mr. Davey) object to the methodology that my right hon. Friend has quoted as the basis of the Treasury estimates?

Mr. Davey: We have touched on that. I am glad that the hon. Gentleman intervened for a second time to enable me to make the point yet again. Taking one exceptional year is not the best way of making the calculation. If the Government want to make the calculation properly, they should take several years and use averages and work with accountancy firms and the firms concerned to produce a more accurate figure—*[Interruption.]* Rather than shouting from a sedentary position, the hon. Member for Bexleyheath and Crayford (Mr. Beard) should let me finish.

The Liberal Democrats are arguing that the Government should halt the progress of the legislation and engage in proper and full consultation with business to produce the exact and accurate calculations that the hon. Gentleman seems to want the Government to carry out. It appears from the way in which the debate is proceeding tonight that those figures have not been properly produced, and we need them. British industry needs them so that it is not penalised by the legislation.

Mr. Beard: Will the hon. Gentleman give way?

Mr. Davey: No. I have already given way to the hon. Gentleman twice, which is more than the Paymaster General did.

We need to look at the wider implications of the measure. British and multinational companies are increasingly concerned about the way in which the Government go about tax legislation and consultation on potential tax changes. It is a serious matter. If we are to attract investment into the country, whether it is from companies operating in Britain or from Britain, we need to ensure that those companies can feel confident that they will be operating under a relatively stable and predictable tax regime, not one that will suddenly change without due consultation or proper analysis.

Presumably, the objectives of achieving stability and ensuring proper analysis lay behind the code of consultation itself. That is why the code of consultation offers a very sensible way of improving our tax system. The problem—as the hon. Member for West Dorset so eloquently explained to the Committee—is that the Government have not abided by their own code.

9.30 pm

Mr. Letwin: The hon. Gentleman is making a serious point which I perhaps omitted to stress sufficiently. Does he agree that, even if the Government were to return with

[Mr. Letwin]

the same damaging measure after a proper re-consultation of the type that he and I advocate, such action would at least do something to restore multinational corporations' now very damaged confidence in the Government and, much more importantly, in the United Kingdom?

Mr. Davey: The hon. Gentleman is right—it would restore at least some confidence. I think, however, that that confidence has been quite badly shattered already, and that the damage has been caused after the introduction of other damaging measures, such as abolition of advance corporation tax, which I wanted to debate earlier. The Government's actions are beginning to suggest that there is something old Labour about the Administration. I was talking to one business man who described clause 102 as being akin to something that the hon. Member for Brent, East (Mr. Livingstone) might have wished to introduce. The measure is a deliberate attempt to target and attack multinational corporations.

The hon. Member for West Dorset did the Committee a great service in his excellent speech, which was a tour de force on a rather complicated matter. He dealt with the matter with far greater precision than I feel that I am able to apply to it. However, although he analysed the possible motives behind the measure, he may have missed out one motive, which is that the measure is simply a knee-jerk reaction and ideological attack on a part of British industry. That would be particularly worrying. Nevertheless, the Government say that they want to talk to business and to understand business. The Labour party even says that it wants to be the party of business.

I think that, if they have not already done so, the businesses that will be affected by the measure should contact No. 10 Downing street. I do not believe that the Prime Minister is particularly happy with this type of measure. As the architect of new Labour, he should be concerned that such measures will undermine everything that he has been attempting to do with the Labour party.

Mr. Oliver Heald (North-East Hertfordshire): He should be told.

Mr. Davey: This is a very serious point. I hope that the Paymaster General will tell the Committee whether she has had proper and full discussions with the Prime Minister about the implications of clause 102 and schedule 30 for British industry, and perhaps for the relationship that British industry will in future have with the Labour party. British industry—composed of small, medium and large businesses—is increasingly fed up with the way in which the Government are going about their business. British industry has grave concerns.

Ministers have to realise that capital is increasingly mobile, and that—despite the potential capital gains liabilities that the types of firm hit by the measure may have in one particular year—those firms will realise that, in the long run, it is cheaper to move abroad. Worse, the measure will alter the investment decisions made by those firms on all their portfolio. The measure really is profoundly affecting the way in which both British and multinational businesses are going about their work.

I urge Ministers not simply to rush out a press release that looks as if it has been cobbled together not after a full consultation but after a rather short consultation, saying that they will delay implementation of the measure, perhaps thereby helping a few firms. I hope that the Government will go much further and say that they will fully re-consult British industry, think again, and return to the House with other measures that will tighten up on abuse—if there is abuse; I do not think that the Paymaster General has very effectively made the case that there is—but not threaten the underlying health of many of the United Kingdom's greatest companies.

Mr. Beard: I think that the quality of debate from Opposition Members tonight has been as low as I have ever heard it. That is well evidenced by the call for greater consultation on the basis of nothing more than tittle-tattle in back rooms which does not stand up against the analysis given by my hon. Friend the Paymaster General.

Mr. Letwin: I am sorry to interrupt the hon. Gentleman so early in his speech, and it is gracious of him to give way at this point. However, I do so because he referred to tittle-tattle. Does he think that the commentary from the CBI, the Institute of Directors, the Chartered Institute of Taxation and six of the major world accountancy firms counts as tittle-tattle?

Mr. Beard: We have already heard from my hon. Friend the Paymaster General the extent of the consultation that has taken place, including that with the CBI. The arguments put earlier by the hon. Member for West Dorset (Mr. Letwin), particularly those about the financial impact on these companies, were little more than tittle-tattle. He has not produced one scintilla of evidence in the whole debate to justify any of the excessive numbers that he mentioned. The nearest he came to a fact was to say that the starting date for my hon. Friend's analysis was not the one that he would have chosen.

Mr. Jack: Could the hon. Gentleman assist my memory by citing either the document or the paragraph in a document in which the clause was the subject of detailed scrutiny and consultation?

Mr. Beard: The document in which that appears is the Finance Bill, and it is also in the explanatory notes. There has been wide consultation. As my hon. Friend said, nobody who had considered the Inland Revenue document on double taxation relief for companies and other documents over a period of 18 months could have been unaware that such an issue would arise. My hon. Friend has outlined the discussions that have taken place in recent weeks and months.

When Mr. Troup gave evidence to the Select Committee on the Treasury, he said that he believed that there was mischief involved in mixer companies, yet he has been quoted as though he were antagonistic towards the Government's proposals.

Mr. Quentin Davies: Did the hon. Gentleman pay attention to the speech of the Paymaster General, whom he is now so gallantly trying to defend? If he did, he would have noticed that she cited a whole range of documents, newspapers, tax experts and some Inland Revenue documents, but not a single Government document that referred to the possibility of abolishing mixing relief.

Mr. Beard: My hon. Friend was at that point quoting the people who had been consulted, and their responses.

She was therefore not likely to quote a Government document that outlined what had already been said. *[Interruption.]* The hon. Member for West Dorset has spent most of the evening convulsed with amusement. I cannot see that the joke is other than on him for having made such a to-do about something, when the nearest he has come to any serious purpose has been to talk Britain down. That seems to be the hallmark of those on the Opposition Front Bench. The hon. Gentleman spoke with some satisfaction about the number of companies that will be transferring their headquarters from Britain. He seemed to delight in talking Britain down. Earlier, he regaled the Committee with his own qualifications. If those qualifications are to be used to prop up his arguments, perhaps he should use those arguments to a more constructive end than trying to destroy a policy that is in the country's interests.

The other allegation that the hon. Gentleman made was that the purpose of the measure was uncertain. As has been said, one purpose is to secure a fairer share of tax revenues for the United Kingdom, by more effectively limiting the relief available for foreign tax paid. There is no doubt that countries that maintain higher rates of tax revenue do so under the mixer arrangement at the expense of United Kingdom taxpayers. It is a strange party that, in the European debate, talks of sovereignty and of foreigners taking our sweets off us, but is willing to tolerate such a position on tax being refunded to the UK.

Mr. Letwin *rose—*

Mr. Beard: I will give way in a moment, but I wish to continue with my list.

The pretence was that there was no purpose in the provision and that it was there merely to damage the United Kingdom, or almost; it was the red saboteurs—the parliamentary equivalent of the ones outside. That was the level of the speech, and it needs knocking.

Another argument, which must be taken seriously, is that the present arrangements cause a distortion in group structures. Many companies are induced to have these pseudo-subsidiaries—the mixer companies—when they do not need them for any management purpose. There is no reason in logic, business or taxation why we should give preference to that sort of grouping, arriving at one sort of arithmetic, compared with the direct refunding of profits under the system that is proposed.

Those distortions carry through to the investment decisions that British companies are taking. The tax system ought to be neutral in that respect. It ought not to be perverting investment decisions so that they go one way rather than the other, but that is one of the impacts of the present arrangements that my hon. Friend the Paymaster General discussed.

Mr. Letwin: Does the hon. Gentleman agree that it would be of some advantage to the United Kingdom if it had a regime that was sufficiently competitive to enable some multinationals to be headquartered here so that they paid some tax here? Does he recognise that I was maintaining a certain level of humour because had I not done so, I might have expressed the anger that some of us feel about a measure that, because it is so misguidedly trying to raise revenue, will have a lasting negative effect on the UK economy, which neither this Government nor their successors will be able to remedy for decades.

Mr. Beard: The position that I detect from the hon. Gentleman's theme is similar to the one he adopted when he dealt with the previous theme—indeed, it resounds through the Opposition. It is to be on the side of anyone who is relieving businesses and other people of tax. In this case, we are seeing a last-ditch stand to defend a Government of 20 years who were lax on the tax system against a Government who have come in and are trying to put it right. The indignation of the hon. Gentleman and many of those who are complicit in the exaggeration of the impact of these measures is well summed up in, I think, George Bernard Shaw's aphorism that there is nothing more indignant than a vested interest masquerading as a moral principle.

Mr. Dorrell: I begin by declaring an interest as a director and shareholder of a company that operates with foreign subsidiaries, some of them held through intermediate holding companies. I have some personal involvement in this issue.

I congratulate my hon. Friend the Member for West Dorset (Mr. Letwin) on a skilful presentation of the case. The issue is important because of its possible impact on tax revenues. It is much more important because of the disincentive that it introduces into our tax system for large multinational companies to locate their head office functions and, importantly, intermediate head office functions on UK soil. So, for all the reasons advanced by my hon. Friend, I hope that the Government will withdraw this proposal, reconsider how to set about the taxation of foreign dividend flows into the UK and undertake a proper consultation on whatever proposals for legislation they then introduce.

9.45 pm

We all know that some anti-avoidance legislation needs to be introduced without consultation so that its effect is not nullified by people acting in advance of the effective date of the new law. However, the Government realise that this proposal is not one such. Today, they announced that the effective date of the new law is to be delayed until March next year, so there is no need to proceed without proper consultation on the proposal.

It is crystal clear that there has not been sufficient consultation on the precise implications of the Government's proposal. Given everything that has been said, it is incumbent on the Government to reconsider the matter. They should then hold proper consultations on their precise proposals for legislation. I hope that that is the lesson the Government will draw not only from this debate but from the wide public discussion of this badly thought out proposal.

Mr. Letwin: My right hon. Friend speaks with the authority of a former Financial Secretary to the Treasury. Does he agree that if there is an abuse such as that which has been identified on transfer pricing or cross-lending from low-tax subsidiaries, the appropriate method for dealing with it would be the onshore pooling that was the

[Mr. Letwin]

subject of the consultation paper? There is a means to deal with any feared avoidance of that type; the Treasury could go back to that.

Mr. Dorrell: I agree with my hon. Friend. Given the choice between the offshore mixers that have developed and onshore pooling, I should have a strong preference for the latter. One reason for that is because the one point made by the Paymaster General with which I agreed was that the combination of the controlled foreign companies legislation and offshore mixers is a genuine abuse. The Government are on strong ground if they want to address that aspect of the problem. However, their difficulty is that in dealing with that genuine abuse, they have created a much bigger problem than the one they set out to solve.

It is important for the Committee briefly to remind itself that, in an increasingly globalised economy, not only huge multinational companies but a broad range of British companies have foreign operations in various parts of the world, trading under tax regimes whose rates are different from those in the UK. The question the Committee must address is whether British-based companies which earn profits in other parts of Europe or the world—including the developing world—and pay tax in those countries at rates determined by their national Governments, should, if the management choose to bring the after-tax profits back to the UK as dividends, pay an extra tax yield to the UK Exchequer.

Some countries—Holland is a major one—make no claim whatever to tax dividends from earnings that are fully taxed in overseas territories. In a globalised economy, a strong case can be made that, if revenues have been taxed overseas, the repatriation of those revenues to the host country as dividends should lead to no further taxation obligation. That is the Dutch position.

The traditional UK position has been that we claim to tax those flows, but we make that claim only if the average rate of tax paid overseas is lower than that paid in the UK. That has been the effect of the mixer company.

What the Government have now moved to—uniquely among 67 countries, as my hon. Friend the Member for West Dorset rightly said—is the proposition not that we should allow that averaging process to take place through mixer companies, but that any British-owned company that earns revenue anywhere in the world, pays tax to the appropriate national Government at the rate that that Government deem sufficient and then repatriates the revenue to the UK ought to pay a marginal tax rate to the UK Exchequer if the tax paid where the profit is earned is lower than that set by the UK Government. I do not believe that that is correct as a matter of principle, but if the Government insist on legislating for such an arrangement it will be hugely damaging to the UK's role as a command control tower for international companies operating in different parts of the world.

There has been a long discussion in the newspapers—we have heard more of it this evening—about whether the tax yield will be £175 million, as the Paymaster General said, or £3 billion, as PricewaterhouseCoopers has suggested. I draw two conclusions from that argument. First, as the hon. Member for Kingston and Surbiton (Mr. Davey) said, it underlines the case for a proper consultation. It is absurd that we can be discussing the introduction of a new tax law when we, the people's representatives, do not know whether the effect will be to bring in £175 million or £3 billion.

To be honest, the second conclusion reinforces the Government's position rather than some of the things that my hon. Friend the Member for West Dorset said. I simply ask myself what course of action the management of a company are likely to take when faced with a choice between bringing earnings from the place where they were earned back to the UK, and therefore paying a substantial tax bill to the UK Exchequer, and taking those earnings to an intermediate holding company in some other country where they will not have to pay tax. It seems overwhelmingly likely that unless the revenue is essential for paying further dividends to UK shareholders, companies will choose to take the revenues to overseas holding companies. That will not produce a huge tax revenue to the UK.

Mr. Letwin: My right hon. Friend is advancing a serious argument that may be absolutely right for many companies. Does he agree that in respect of those about which, as an economy, we may be most concerned—market leaders quoted in the UK—the necessity to have dividend remittances here may be so great that they will none the less ante up?

Mr. Dorrell: My hon. Friend is right to suggest that some companies will have no choice. The principal reason for that will be to pay dividends to UK shareholders. It is entirely possible that many UK shareholders, when faced with the choice between the company paying a substantial tax bill to pay the dividend to them and the company using the money for a different purpose, subject to a lower tax rate somewhere else, will be receptive to the argument that the money be paid to a holding company.

I want to develop the argument a stage further. The likely result in the majority of cases will be that money will not come here and be subject to tax, but will be taken overseas into intermediate holding companies. People may say, "So there we are. That is the end of the story. No one is any the poorer." That is not how it is. If companies start to develop overseas holding companies to which they pay dividends, they will need to manage those dividend flows in those countries, and the holding company function that ought in British interests to be located and developed in Britain will be developed and built in other countries that have more benign treatment of foreign dividend flows.

This Government are developing a policy that is the precise opposite of the intelligent tax policy that would be proposed by a Government who want to be competitive in attracting investment and high-value management functions into the UK, so that the UK becomes a holding company centre and plays a leading part in a developing market economy. They are creating a tax policy that will encourage the growth offshore of high-value management functions. It will relegate the UK to the margin so that it will simply be a responding economy to an overseas holding company function.

That prospect will be hugely damaging in the long run. I do not pretend that it will produce dramatic, overnight damage to UK interests, but it is an important step in precisely the wrong direction. I very much hope that the Government will listen to the force of the argument that

has been made against the proposal, take the proposal away, and reconsider and consult on it properly this time before they bring it back for legislation.

Mr. Jack: I am delighted to support my right hon. Friend the Member for Charnwood (Mr. Dorrell) and others who have spoken in the debate. One of the things that worried me about the Paymaster General's line of analysis was a somewhat scatter-gun passage in her defence of the proposal. She seemed to say that, because the Government had done everything that they had been asked to do on a whole range of domestic corporation tax and company tax issues, that made the proposal in the clause in some way okay.

If we follow that argument, we reach the first line of weakness in the Government's substantiation of the proposal. In the justification of the Government's position on the clause, we have not been offered any overall economic impact analysis. They justify their position through an argument in which the tax tail appears to be wagging a big dog—and the tax tail is of uncertain size. We are told that the Inland Revenue has analysed 200 companies, but we have not been given for public view an anonymised report on that, so how do we know whether the Government's argument is realistic?

During my time in the Treasury, some of the numbers that I was given about policy effects were questionable. Therefore, they were re-analysed and sometimes one agreed with them and sometimes one did not. However, one learned that there was an element of uncertainty in the forecasting process. I shall not indulge in saying which forecast is right or wrong, but I will say that an argument that comes from an uncertain sample of companies with no overall economic impact study is a dangerous point from which to start in, as my right hon. Friend rightly said, a world of highly competitive global capital flows.

I sat down with a company that was exercised by the proposal, but I shall retain its anonymity because it shared with me confidences about its proposed retail expansion plans in mainland Europe. It explained to me how its investment proposals operate under the present arrangements and how they would be impacted upon by a measure that will end the mixing arrangements. It pointed out that a flow of initiating capital went from the United Kingdom to the foreign subsidiary company and was then deployed to develop profitable investments in different parts of Europe.

Why did the company do that? It had its responsibilities to shareholders, but it was equally aware of the activities of its competitors in the same sector who deployed competitive measures not only in mainland Europe, but with the potential to develop them in the UK. To put it at its crudest, it was hand-to-hand fighting to develop competitive investment in Europe. The company deployed the mixing arrangement to ensure that it remained in parity with its European competitors in terms of the taxation on its dividend and interest flows, given the circular situation in Europe.

10 pm

We are talking not about some grand world tax jamboree but of a model of a United Kingdom-based company which was seeking to develop profitable investment in Europe to maintain its competitive position against its European competitors.

In the Paymaster General's analysis, she talked about the right or correct level of tax, as if a new equity concept, which I do not recognise, were being created. If the company to which I have referred is not able to be tax competitive with its competition, that will affect its overall viability, and potentially its overall tax condition. I see that the Paymaster General is starting to look somewhat bored. I listened with great care to what she had to say to justify her defence of the Government's position. I hope that she will be able, either tonight or in subsequent discussions in Standing Committee, to respond to these points.

I am not talking about a gigantic multinational company. It is an international company that is seeking to trade competitively. Clearly, the Government's proposals will undermine its position. I accept that my example is perhaps one of many, but it comes from the real world and so far we have heard nothing from the Treasury Bench about how that world operates.

I was glad that the Paymaster General was able to announce that the starting of the process would be delayed. The company that I have talked about and other organisations that have made representations to me, including the Chartered Institute of Taxation, agree that a delay is required. In praying in aid her position, the hon. Lady said that there had been a successful Inland Revenue-run workshop, in which many double taxation arguments had been discussed. I issue her a simple challenge. Is she prepared to authorise the Inland Revenue to arrange another workshop in the intervening period, so that the protagonists can have an open discussion with the Inland Revenue and the Treasury to explore the economic, practical and real-world impacts? *[Interruption.]* If I heard the hon. Lady correctly, she said from a sedentary position that she refuses to do that.

Dawn Primarolo *indicated dissent.*

Mr. Jack: I am delighted that the hon. Lady's body language is rather more positive than the words that I half overheard.

If the hon. Lady is truly confident of her position and she believes that no damage will be done to the competitive position of British companies, which are merely seeking tax parity with European investment and competitive positions, she should have no hesitation in inviting companies to a workshop to explore the Government's proposal.

The Government have a big majority and they know that, if they want to, they can have their way. That worries me. However, a big majority and a head-down and blinkers-on attitude towards tax do not make for good tax law. I should know because in certain instances when I was a Treasury Minister we wrote some bad tax law.

Mr. Giles Radice (North Durham): No!

Mr. Jack: This may be the opportunity to respond to the brayings of the right hon. Gentleman. I admit that when we were having to do things in a rush, some things went wrong. We had to put them right. We now have an opportunity to stop wrong things being done by providing for a little more open consultation and discussion so that we can verify the economic impact of the Government's proposals on the United Kingdom, and put aside for one

[Mr. Jack]

moment the difficult debate on the moneys that may be raised from the revenue derived from the provisions in clause 102.

Mr. Letwin: I thoroughly agree that making an economic impact assessment is much more important than the mere question of the fiscal effects, as my right hon. Friend the Member for Charnwood (Mr. Dorrell) mentioned. However, does my right hon. Friend accept that it is essential to talk to major companies deciding whether to site their intermediate or ultimate company headquarters here or elsewhere to discover how that would affect their choice?

Mr. Jack: My hon. Friend makes a useful and powerful point that supports the remarks of my right hon. Friend the Member for Charnwood. In all sincerity, I ask the Government to consider the assessment, which is a simple and practical way of resolving a complex matter. I, for one, do not want large numbers of companies, whether small, medium, large or multinational to be significantly disadvantaged in the competitive world of international taxation as a result of the Paymaster General pursuing a concept of correct or right taxation to the exclusion of its competitive impact on British companies.

Mr. Quentin Davies: I remind the Committee of my interests as declared in the Register. As far as I am aware—although I have been almost deliberate in not finding out—the firms with which I am associated are not directly at risk from the Government's proposals.

I congratulate my hon. Friend the Member for West Dorset (Mr. Letwin), the shadow Financial Secretary, on a brilliant forensic devastation of the Government's case, which was suffused with Ciceronian irony. I am sorry that the hon. Member for Bexleyheath and Crayford (Mr. Beard) failed to grasp that, but the rest of us enjoyed it enormously—with the possible exception of the Paymaster General, who was the target of his devastating analysis.

My hon. Friend made a case against the Government on three counts. The first is far and away the most important. The significance of it goes way beyond the issues that we are discussing this evening and the matter of tax law. My hon. Friend brought forth documentary proof, no less, of a matter that several of us have been raising for a long period—since the election. The Government are profoundly indifferent to Parliament and systematically treat it in a disdainful and frivolous fashion, documentary evidence of which can now be seen in the press release, apparently embargoed until 10 o'clock, in which the Government announce a series of changes—including some totally inadequate concessions—on the matter under discussion.

That demonstrates a double contempt of Parliament. First, the press release makes it clear that the Government are not interested in what Parliament has to say on the matter. They had decided the matter and were going to make an announcement this evening, making plain that that announcement could not be influenced by what might be said in our debate. One cannot get much more contemptuous than that.

Secondly, the Government clearly took it for granted that their proposals would be endorsed by the vote in Committee. That is as much—indeed, even more—of an insult to Government Members and their docility as it is to the sovereignty of Parliament. We have seen many signs of the Labour Government's insidious attitude towards Parliament and the fundamental responsibility of the Executive branch to be accountable to Parliament. We have not seen before the sort of dramatic documentary evidence that my hon. Friend introduced in Committee this evening, for which we should all be grateful.

Against that background, it is not surprising that my hon. Friend exposed, quite incontrovertibly, the Government's mockery of the consultation process. The Inland Revenue has clear rules for consultation and, apparently, a consultation process on the issue of double taxation relief and corporate taxation was launched. However, at no stage during the course of that proceeding did the Government reveal what they actually proposed to do. Therefore, a mockery of a consultation exercise was held in which all sorts of proposals were discussed except those that the Government intended to introduce in the Finance Bill. That was no consultation at all. The Government underestimate the intelligence of Members of Parliament and the public if they think that they can get away with that.

Mr. Letwin: Does my hon. Friend agree that there is an even more remarkable aspect to the consultation? The final date for responses to the consultation process was, if memory does not deceive, September last year, and the measure was introduced in March this year. Therefore, even if, in the interim, the Government had changed their mind, there were some months in which the consultation exercise could have been repeated, on a new basis.

Mr. Davies: The Government are clearly guilty as charged on this most serious allegation.

The Paymaster General more or less accepted the charge against her when, in her speech this evening, she quoted various speculative press articles that apparently had succeeded in foreshadowing some of the measures the Government intended to present to the House. In no circumstances can a speculative press article be a substitute for consultation. If the Government of this country are in the process of consulting the public on a specific legislative proposal and it so happens, coincidentally, that *The Sun*, *The Mirror* or some other publication carries an article about a possible course of action that the Government might adopt, it cannot be argued retrospectively that that speculative article formed part of the consultation process and that those who were engaged in the process were supposed to respond to the speculative press article during their discussions with the officials who took part in the charade.

Mr. Letwin: My hon. Friend reminds me of a point on which I attempted to intervene on the Paymaster General, although, with her customary graciousness, she failed to give way. Does he agree that it was pretty remarkable that, when the hon. Lady quoted one source as having congratulated the Government on their measures after—as she said and as I believe the record will show—the Budget was introduced, she referred to an article published in one of the journals on 30 March? Does he

agree that it is pretty unlikely that someone could get published on 30 March an article that was written after a Budget that was itself produced after 20 March?

Mr. Davies: My hon. Friend's case is made. During our exchange, there has been complete silence on the Government Benches, and the Paymaster General herself has attempted to hide her embarrassment by sinking her head into her brief.

Our case is a serious one whose importance far exceeds that of any decision that we are likely to take tonight about the taxation of corporations in this country. This evening, we have seen revealed, in all its hideous ugliness, the naked arrogance of Executive power. A low point has been achieved under the Government and the situation gets worse every day, but this evening we have witnessed the most dramatic demonstration yet.

Let me now turn to the substance of the tax proposals before the Committee. One has to start by recognising that there is an apparent anomaly and unfairness in the system of double taxation relief in that, under double taxation agreements, residents of this country are given relief for foreign tax that they have already paid in countries with which we have such an agreement, provided that the rate of tax paid is equal to, or less than, the prevailing rate of tax at which they are assessed in this country, but if they are taxed abroad at a rate of corporation tax that is higher than the rate in this country, they receive no relief for that excess. One might think that that is not even-handed. However, if, under double taxation arrangements, a country were to relieve completely any tax paid under a foreign jurisdiction, it would not only lose revenue, but would be subsidising foreign countries that chose to establish higher rates of withholding or corporation tax, and that would be a perverse thing to do.

10.15 pm

I now come to a technical error that the Paymaster General made in her speech, which pales into insignificance when compared with the constitutional errors that I am afraid she and her Government have perpetrated tonight, but is important. She told the Committee that a system of offshore mixing to secure an average rate of taxation on which relief would be available in this country would itself induce, or provide a subsidy for, foreign countries to tax at higher rates. That is not true. She was confusing a situation in which we relieve all foreign tax with a system of pooling or of mixing, when the tax rates are averaged out.

A British company that establishes an offshore mixing company clearly has an incentive to ensure that the average rate of tax that is incurred is as low as possible. Therefore, it has an interest in resisting investment in countries where the rate of tax is higher. So it is not true that, in an offshore mixing company, the present system—the status quo—creates an incentive or subsidy for foreign countries that tax more highly than we do. I hope that the Paymaster General will think through what she has said because that error may have led her seriously astray in drafting the proposals before us.

Mr. Letwin: Does my hon. Friend agree that it is extraordinary that the Minister who made those remarks chairs a committee on so-called harmful tax competition, in which she effectively takes exactly the opposite position—that tax competition is helpful and not harmful?

Mr. Davies: I hope that my hon. Friend is right to say that the Paymaster General views tax competition as helpful and not harmful, because it is essential that, in the European Union or, indeed, generally in the world, we retain some competitive pressure on Governments to hold back their inclination to tax and to spend as much as possible. Tax competition seems to be an extremely benign force. I hope that he is right to say that the hon. Lady is fully persuaded of its importance.

I do not want to sit down without having dwelt on the most important flaw and error in the Government's thinking on the matter. It is a rather naive error to discount entirely the behavioural consequences of such a major change. It does not make the slightest sense to anybody who has had the remotest experience of business life to suppose that one can change anywhere in the world the rules under which multinational companies are taxed without any consequence for their structure or organisation. There will of course be behavioural consequences.

It is not possible for someone who is paid to run the tax department of a major multinational to receive the news that there has been such a significant change and not to recommend to his board any consequent changes in the structure or operation of that company. It is not possible for any director of that company who is doing a proper job for which he or she is paid not to respond to such a recommendation and not to do what rationally is in the interests of the company in the light of the changed circumstances.

It is possible to distinguish between the possibilities that will be open to companies now that the opportunities of running an offshore mixing vehicle are about to be abolished. One would be not to repatriate dividends in order to pay a dividend from a UK company to UK shareholders when necessary, but to borrow instead. That of course implies extremely inefficient cash management and costs that any responsible company would be reluctant to incur. It implies a change in the gearing of that company, which would be resisted by professional managers in any company that is properly managed.

It is fairly unlikely that that course will be adopted. Companies will find ways of not repatriating the dividends at all. As my right hon. Friend the Member for Charnwood (Mr. Dorrell) said, the natural inclination will be to keep those profits offshore and use them to fund other investments. That means that the total dividend flow into the UK will be less than it otherwise would be. I draw the Government's attention to the fact that we have a current account deficit, which is growing. It will grow further if dividends are not repatriated to this country.

Then there are the second-line effects to which my right hon. Friend the Member for Charnwood referred. Companies are accumulating more cash abroad and are making investments abroad. They will increasingly be drawn into setting up administrative structures abroad and perhaps incurring costs abroad, by switching research and development abroad or some other cost that can relatively easily be transferred. That will result in the loss of employment—possibly valuable employment—and the loss of high-value added activities to this country. That is not a good day's work for any Government.

[Mr. Davies]

Finally, what concerns me about the proposal is the opportunity costs. I have not heard that term used once this evening. It seems that the Government have not even considered the opportunity costs. I assume that, if the hon. Lady had asked the Revenue to do a study of them, we would have heard about that this evening in her long apologia. I assume that no one has examined opportunity costs, which are the essence of the matter.

We are speaking about future decisions about the location of investment, the location of headquarters, and the right locus for the incorporation of companies. The debate is being conducted at a time of unprecedented international merger and acquisition activity. As we know, particularly within the single market but not limited to the single market, there have been an enormous number of major mergers between multinational companies. Some have been mentioned this evening. My hon. Friend the Member for West Dorset rightly drew attention to Vodafone Mannesmann, which is the biggest involving this country, and there have also been British Steel and Hoogovens, now called Corus; AstraZeneca; and SmithKline Beecham and Glaxo. In a few weeks, there may be Lafarge and Blue Circle.

There is a list of such enormously momentous acquisitions or mergers in progress. On every such occasion, the decision will have to be taken by the two parties where to locate the new operation, where it should be headquartered, how it should be structured, who should hold the subsidiary companies, and through what vehicle. The Government have chosen this precise moment to make a destructive attack on the attractions of this country as a locus for the headquarters of such emerging multinational companies. There can be no worse incompetence than that.

We have seen an amazing display this evening by the Government, on the one hand of arrogance and abuse of our constitution, and on the other hand of neglect of the fundamental economic duty of the Government to promote a framework in which future investment, employment and growth in this country are maximised.

Mr. Letwin: I shall not long detain the Committee. I am sure that hon. Members are grateful for that.

The hon. Member for Kingston and Surbiton (Mr. Davey) made clear in his speech much that is important about the wrongness of the process in which the Government are engaged.

My right hon. Friend the Member for Charnwood (Mr. Dorrell), the former Financial Secretary No. 1, made a powerful case about the effect of the measure on the location of headquarters. My right hon. Friend the Member for Fylde (Mr. Jack), the former Financial Secretary No. 2—I do not suggest by that any order of priority, other than of speaking—made it clear that we needed an analysis of the economic impact of the measure. My hon. Friend the Member for Grantham and Stamford (Mr. Davies) made it abundantly plain that we are dealing with an abuse of process, an abuse of Parliament and an abuse of substance.

In the Paymaster General's response to the debate, she made three arguments. Her first was that, although the text of the consultation document, which she proceeded to misquote, made no mention whatever of the proposal that is hereby being enacted, and hence in no way was there any consultation on that proposal, it was nevertheless—I think I quote almost exactly—quite obvious to anyone engaged in the process that this would be, or might be, the measure that was forthcoming. If she thinks that it is quite obvious, it is odd that the CBI thought that it was unexpected, that the Institute of Directors thought that it was unheralded, that the Chartered Institute of Taxation thought that it was a surprise and that most of British industry is hopping up and down because it claims that it was never told about it. If it was obvious enough for the Paymaster General, she might have let some others into the secret. It would have been helpful.

Secondly, the Paymaster General told the Committee that the yield would be minute, not enormous, and she told us that on the basis of Inland Revenue calculations. She did not see fit to give way to allow me to ask the question which I invite her to answer now. Was it pointed out to the Inland Revenue and to her economic adviser in a meeting with accountants when the issue was raised that the base year upon which the calculation was made was exceptional? She did not answer then and she does not answer now. The fact is that the calculations that she suggested are not substantiated, are probably inaccurate and are not reflected in the views of any of those who have commented on this, whether the CBI, the IOD, the major firms or the various firms of accountants. Not in one of those sources do we find a similarity of view about the amounts to be raised. It would be interesting to know whether the hon. Lady is willing to stake her continued career on the effect of the measure next year, or, if it is to be delayed by nine months, a year later.

Thirdly, the Paymaster General claimed that the measure had been welcomed or heralded by a large number of people in various articles. It would be interesting to know whether it is generally the Treasury's practice to ignore the advice, after a proposal is put forward, of the big six accountancy firms, the CBI, the Chartered Institute of Taxation and the IOD, in favour of three or four academic articles, one of which was undoubtedly submitted for publication before the Budget and hence—although apparently it was quite obvious—before the writer had the slightest idea what the proposal in question would be.

But all those things, as my right hon. and hon. Friends have pointed out, pale into utter insignificance when compared with what the Paymaster General did not say. In the whole of her speech, she never once mentioned whether the measure would substantially deter important companies from locating their headquarters in the UK, and, if so, whether that would have a huge and sustained knock-on effect on our economy.

I can only conclude either that the Paymaster General does not care what happens to the UK economy, which is unlikely, or that she—this must be the more likely case—knows that there is a real problem here, but does not want to admit it or consult on it because she knows that it would entail admitting that the Government have, in this case, as Governments do because they are composed of human beings and we are all fallible, we as much as they—*[Interruption.]* My hon. Friends may disagree, but I admit on behalf of the Conservative party that we are human. So, too, are the Government. Unfortunately, Ministers and officials, in this case probably an economic adviser and a few Ministers, over against the Inland Revenue, have made a tremendous and signal error.

The easy way to deal with those errors is to withdraw the proposal by letting the clause fall and to return later with one of the options described in a perfectly reputable Inland Revenue consultation document, and discussed the length and breadth of British industry—either the mixer companies or the onshore pooling. We could all then rest easy that the Government will not go down in history as having destroyed a large chunk of our economy. As things stand, that is exactly what is likely to happen and it will be a disgrace if the Government do not withdraw the clause.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 254, Noes 123.

Division No. 178] **[10.29 pm**

AYES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Armstrong, Rt Hon Ms Hilary
Atherton, Ms Candy
Austin, John
Banks, Tony
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Benn, Hilary *(Leeds C)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Butler, Mrs Christine
Byers, Rt Hon Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Caton, Martin
Cawsey, Ian
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foulkes, George
Fyfe, Maria
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Grogan, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Howells, Dr Kim
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Keen, Alan *(Feltham & Heston)*
Khabra, Piara S
Kilfoyle, Peter
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Lepper, David
Levitt, Tom
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
McAvoy, Thomas
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Meacher, Rt Hon Michael
Michael, Rt Hon Alun
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tynan, Bill
Vis, Dr Rudi
Ward, Ms Claire
Welsh, Andrew
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*

Williams, Mrs Betty *(Conwy)*
Wilson, Brian
Winnick, David
Wood, Mike
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Mr. David Clelland and
Mr. Graham Allen.

NOES

Amess, David
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Ballard, Jackie
Beith, Rt Hon A J
Bercow, John
Blunt, Crispin
Boswell, T
Brady, Gr
Brand, Dr Peter
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burstow, Paul
Butterfill, John
Campbell, Rt Hon Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Faber, David
Fabricant, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Robathan, Andrew
Robertson, Laurence
Rowe, Andrew *(Faversham)*
Russell, Bob *(Colchester)*
St Aubyn, Nick
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Steen, Anthony
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Waterson, Nigel
Webb, Steve
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Eleanor Laing and
Mr. Peter Luff.

Question accordingly agreed to.
Clause 102 ordered to stand part of the Bill.

Clause 113

RATES: CONVEYANCE OR TRANSFER ON SALE

Question proposed, That the clause stand part of the Bill.

Mr. Flight: Clause 113 introduces—if I may put it thus—a much more naked and transparent stealth tax. It will raise stamp duty by a further 0.5 per cent.—for the third year running—making tax on property sales in this country one of the highest in the developed world. The clause is in part IV, which deals with stamp duty in general. Clause 116 empowers the Treasury to change the rules merely by statutory instrument, and we shall object to that strongly as well. Other proposed changes exclude property transfers to social institutions from stamp duty, and tighten coverage in the case of companies and leases.

The Government say that they expect to derive a yield of some £290 million over the tax year to next April. In due time, we shall ask what the yield is: given the cyclical increase in property transactions, we suspect that it will be substantially above the predicted figure.

The proposed tax is mainly a stealth tax on business. We particularly object to the contradiction between the Prime Minister's entirely correct support for the flexible Anglo-Saxon system—the Anglo-Saxon economies have been successful here and in the United States—and the proposal for a tax that will damage corporate restructuring, prevent improvements in productivity and discourage investment. Members may recollect the Chancellor extolling the McKinsey report on how to improve productivity in this country and the damage done to productivity improvements by our system of taxing property and by some of our planning laws.

10.45 pm

How much will stamp duty cost in the Rover restructuring? Whatever the cost is, another 0.5 per cent. will be added as a result of the Bill. It is particularly damaging for small businesses because property is their main asset. It is the asset against which they go to banks to borrow money. The main effect of the rise in stamp duty—up some 400 per cent. since the Government came to power—for businesses is to increase the volatility of prices, particularly in down cycles. For that reason, the banking sector will be less willing to lend to small business.

I have referred to clause 116. The Government have implicitly already accepted that they have hiked the tax to the limit because they are looking to give themselves discretionary measures to try to attack the mitigation that they expect, particularly from businesses seeking to save on such a high level of tax when they want to restructure.

The tax obviously bears on individuals, too. It is both unfair and economically damaging. It hits the more enterprising in society. How often has the House heard the Chancellor say that his policies are driven by fairness and encourage entrepreneurship? Here we have something that points in the other direction.

Some Labour Members have been gloating that the tax will soak the rich, as it soaked rich people such as the Prime Minister when he sold his house in Islington, but, in reality, it is a tax on middle England. Since the last data were produced, property prices in the southern half

of England have risen by between 20 and 50 per cent. Some 25 per cent. of the property market in the south-east is represented by houses costing about £250,000—it is the average price of three and four-bedroom family houses—which will bear the new rate of stamp duty of 3 per cent.

Who moves? Who wants to move? It is people who have to move because of their jobs. It is people who produce children and need larger houses. This is a tax on job mobility and yet another stealth tax on families.

The measure causes more subtle damage. There are problems with potential over-building in the southern half of the country. Senior citizens are already often reluctant to move from the houses that they have lived in to smaller accommodation. That will discourage yet more such senior citizens from vacating larger family houses.

It is the increase in volatility that we are particularly concerned about. When the downturn comes and when the Chancellor realises that he has not abolished the economic cycle, the greater volatility will increase opportunities for negative equity in two ways. First, when there is a much higher tax on buyers and when the market is bad, buyers retreat. Secondly, many families will have used up their capital in paying significant amounts of stamp duty when buying their properties.

The excuse that the Government will give is that the measures are designed to contain property overheating. When the deputy Governor of the Bank of England gave evidence to the Select Committee on Education and Employment recently, he reported that such fiscal measures were not an effective tool in determining prices, particularly domestic property prices, during up cycles. As I have said, such measures worsen the volatility in down cycles, but do not constrain upward movement in up cycles.

In summary, this is another extremely cynical stealth tax that was designed purely to raise revenue. Its economic effects will be bad. They will be particularly damaging in the very areas that the Chancellor claims that he wants to improve.

Mr. Matthew Taylor (Truro and St. Austell): I shall not detain the House long, but I wish to raise a significant issue in respect of stamp duty, which this and previous Governments have avoided tackling—one that becomes more serious as the rates increase.

If we are to have such a system, it makes sense that the Government should attempt to close any loopholes. Indeed, it is surprising that they have not gone further in tackling the use of companies as a tax shelter in respect of property transactions. Presumably, that is why they have left open the opportunity to make further changes by order. Although I do not consider that to be the appropriate mechanism, I hope that the Government will attempt to create a system whereby people pay according to the value of the transaction and not according to how much they can afford to pay specialists to help them avoid paying tax as that tends to mean that big companies avoid paying tax and small companies and individuals end up paying it.

The Government have not addressed the fact that stamp duty is an unusual tax in that different banded levels increase with the value of the transaction, yet the increases apply to the entire transaction. That leads to a simple form of avoidance in that people try to keep the price just below the relevant threshold. As the duty increases on transactions over £250,000, a difference of just £1 in the price of a property makes a difference of £5,000 on the tax that falls on the individual or company. As a result, people try to avoid tax, not always through legitimate means, such as by selling fixtures and fittings at an inflated price while reducing the notional price of the property.

Research that I have undertaken through the Land Registry shows that as stamp duty has increased, there has been a decrease in the number of properties sold at just over £250,000 and an increase in the number sold at just under £250,000. The difference widens as the tax incentive increases. The Secretary of State for Northern Ireland benefited from that by coming in just under the threshold. It cannot be right to have prices bunching just under the break levels so that purchasers avoid tax. Whatever any particular individual may have done, I have no doubt that some people are deliberately avoiding tax. That is not good for the Treasury or the tax system and it makes no proper sense.

Other taxes operate so that the increase applies only to the part of the transaction that is above the break point. It would be possible to make that reform on a revenue-neutral basis, if that were what the Government wanted to do, and it would have exactly the same effect in terms of dampening down the property boom. The tax burden would fall more fairly. Such a reform would remove the incentive to try to avoid tax. Surely, making such a reform would also be infinitely simpler than trying to use Inland Revenue checks to determine whether the fixtures and fittings have been overvalued and the property undervalued. Not only is it pretty difficult to resolve such arguments, but it could cost an awful lot to get a result.

I have tried, consulting the Library and tax experts, to research why we have our peculiar tax banding structure, but answer came there none. The answer was simply, "That's historically how it's been done." I do not think that the current Government feel particularly tied to doing things in a certain way simply because they have always been done that way. I should therefore like to hear from the Minister why that reform has not been pursued, whether it might be pursued, and whether it might not be a more sensible approach than that being pursued by the Government.

Additionally, if the Government are proposing the increases to dampen the residential property boom, why have they not considered creating a divide between commercial and residential property? Such a divide exists in many other countries and has not caused major tax avoidance problems. I think that that, too, would be a sensible measure.

I hope that the Government will consider making those simple reforms, which would help to create a more progressive tax structure and remove the incentive to cheat that the current system undoubtedly presents.

The Economic Secretary to the Treasury (Miss Melanie Johnson): In his opening remarks, the hon. Member for Arundel and South Downs (Mr. Flight) most amusingly alleged that the measure was some type

[Miss Melanie Johnson]

of "transparent stealth tax"—which is a new Tory contradiction in terms, to add to all the many other contradictions that they have recently offered us.

Mr. Flight: Will the Minister give way?

Miss Johnson: I have barely uttered a full sentence, but I shall give way to the hon. Gentleman.

Mr. Flight: The word "stealth" has two applications in this context. It applies, first, because the increase is a significant but unexpected tax on business. It applies, secondly, because people do not necessarily think about tax when they have to change houses after changing jobs or relocating, or when their family has grown. The tax therefore sneaks up on them.

Miss Johnson: I think that the hon. Gentleman has just accepted that his point was not very meaningful.

The hon. Gentleman dealt with the measure's effect, in the residential sector, on families. I should like to explain how the Government's actions are helping families. In our Budgets since the general election, we have done a huge amount to help families. We have reduced tax on the average family, so that for a single-earner family on average earnings with two children, tax is at the lowest rate since 1972. *[Interruption.]* The right hon. Member for Wells (Mr. Heathcoat-Amory) can say that he does not believe it, but it is a fact. In these matters, there is nothing as unarguable as a fact.

We also have incredibly low mortgage rates—which are particularly low in comparison with the mortgage rates that applied at their peak in the 1990s. Therefore, on average, people will be paying £300 less per month because of the Labour Government's economic policies and platform, the stability that we have created, and the low inflation and low interest rates that we have managed to generate. Householders are much better off.

We should also consider how many people will pay stamp duty on residential transactions. The fact is that more than one third of transactions incur no stamp duty at all—they never have incurred stamp duty. Moreover, 95 per cent. of sales will be completely unaffected by the Budget's provisions. Those are the facts that the House should consider. The hon. Gentleman gave us scarcely any facts in favour of his hypothesis. There is no evidence that the measures on stamp duty in this or earlier Budgets have had any effect on house prices or the number of transactions carried out in the residential property market.

11 pm

The same is true of commercial sales. We have a healthy commercial sector, which has enjoyed good growth. A large number of transactions take place and there is no evidence of any problem. In last year's Budget debate, Conservative Members put forward hypotheses that there would be damage as a result of last year's measures. Well, we have this year's figures, and I notice that the hon. Gentleman has not referred to the implications of last year's arguments. It is clear that the problems that Conservative Members referred to then have not materialised, and that the Government have been proved right. Stamp duty presents a fair and progressive system of taxation, which is why we have made these proposals.

The hon. Gentleman referred to loan collateral and the possible harmful effect on business. There is no evidence that a stamp duty increase of 0.5 per cent. reduces property values significantly, if at all. In fact, commercial property is not usually of primary importance as collateral, so on neither count is there evidence of a problem. It was suggested that the measure might have been taken to help stabilise the housing market. That is not its main purpose; its main purpose is to put in place a fair and progressive structure for stamp duty. Our macro-economic framework is the main measure to stabilise the housing market. That is working to the benefit of the economy, businesses and families—people right across the country are benefiting from our management of the economy.

The hon. Member for Truro and St. Austell talked about the loopholes that are being closed. There are a number of such loopholes, some of which we have considered for some time. They include a revised definition of "group" for the purposes of stamp duty relief for transfers of property between associated companies. I hope that the hon. Gentleman will give us his full support on our measures to close those loopholes.

I was distressed to hear that the hon. Member for Arundel and South Downs will not be supporting clause 116. That measure will enable us, when we discover avoidance techniques, to close loopholes in the middle of a year between Finance Bills. People will be able to discuss the way in which that is being done, but the measure will stop off revenue outflows that should be going to the Exchequer because people are finding loopholes in the system.

I cannot comment on the Rover restructuring. There are many issues that are still, unfortunately, unresolved, and although the hon. Gentleman invited me to comment, it would not be appropriate for me to do so.

The hon. Member for Truro and St. Austell remarked on the way in which we might change to what is called a slice basis for stamp duty. The full-year cost would probably approach £1.5 billion, or more than a third of the current yield from the duty. Higher rates of duty would then be needed to maintain the yield. It would be interesting to hear what measure the hon. Gentleman would propose to stop up the gap—the money that would be missing from the Exchequer—as a result of that suggestion.

Mr. Matthew Taylor: I was talking about a revenue-neutral basis. The hon. Lady has suggested how that can be done. Is she aware that under the present system, before the Chancellor started to raise the differentials for more valuable property there was virtually no difference in the number of transactions just above and just below the £250,000 band. After the first increase, 139 properties were sold just under the £250,000 band for every 100 above it. Now, 151 are sold at just under £250,000 for every 100 above it. There is clear evidence of avoidance and of loss of revenue to the Exchequer as a result. Therefore, there is clear evidence that we have created a system that favours the cheat over the honest person.

Miss Johnson: I cannot agree. There are different ways to structure stamp duty, but other methods, in particular the slice basis, cause problems of their own. That method would cause a significant loss to the Exchequer.

The sort of problems that the hon. Gentleman describes are not apparent. We are still collecting the revenue that we have always expected to collect from stamp duty. Indeed, last year, we met the expected target for the collection of stamp duty revenues. The case that he put forward is not borne out by the facts.

Mr. Campbell-Savours: Is it not true that the phenomena that the hon. Member for Truro and St. Austell (Mr. Taylor) mentioned show that the measure is probably having a deflationary effect on house prices?

Miss Johnson: That could indeed be so. There is a danger in changing the basis of something that has always worked well. Stamp duty was introduced in 1694. *[Interruption.]* I am conscious of the fact that many hon. Member would like to leave the Chamber to go home to their beds.

Stamp duty is an extremely efficient tax. The measures that we are introducing are giving a fairer and more progressive structure to the tax. There is no evidence that we need to change the basis for the duty on commercial or residential property, or indeed shares. It brings revenue into the Exchequer and we are, in fact, in a beneficial position. I urge hon. Members to support the proposal. It is working well and will continue to do so.

Mr. Flight: I shall be brief. First, do the Government intend to continue with their policy of increasing stamp duty by 0.5 per cent. per annum, or do they believe that the level that the duty has reached represents some form of ceiling?

Secondly, the Minister seemed to argue that extra charges on transactions have no economic impact. For the past three years, for a variety of reasons, property prices have been rising continuously. Bank of England studies have found that increased transaction costs have an impact when the market goes down—the increase in volatility and the fall in prices tend to be exaggerated by rising transaction costs. Then, families really suffer if it takes them into negative equity. Independent data show that families are already paying about £670 more in tax per annum, so they are not better off in tax terms. Furthermore, they have lost their mortgage interest relief at source.

I pointed out the objections to clause 116; they were echoed by the hon. Member for Truro and St. Austell (Mr. Taylor). In essence, they are that the clause lacks clarity—if there is a problem to be dealt with, it does not help the marketplace if matters are not clear and certain. It would be better if there were specific clauses to address any problems that the Government believe are outstanding.

I rebut the assertion that 95 per cent. of transactions will not be affected. As I pointed out, those data were produced before the rise in house prices that has taken place over the past year or so; in the south-east, that has certainly been in the order of 20 per cent. The Economic Secretary to the Treasury herself commented—presumably she was including commercial property—that only a third of transactions paid no form of stamp duty.

I repeat that this tax is predominantly levied on business. The Minister did not reply to my points on that issue. Business pays the most stamp duty. It is a tax on businesses that relocate and set up new operations in different parts of the country. It is a tax that will apply in situations such as that of Rover, where major changes must be made in order to survive.

Question put. That the clause stand part of the Bill:—

The Committee divided: Ayes 242, Noes 50.

Division No. 179] **[11.12 pm**

AYES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Armstrong, Rt Hon Ms Hilary
Atherton, Ms Candy
Austin, John
Banks, Tony
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Benn, Hilary *(Leeds C)*
Bennett, Andrew F
Benton, Joe
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Butler, Mrs Christine
Campbell-Savours, Dale
Caplin, Ivor
Caton, Martin
Cawsey, Ian
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Colman, Tony
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Donohoe, Brian H
Doran, Frank
Drew, David
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Field, Rt Hon Frank
Fisher, Mark
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foulkes, George
Fyfe, Maria
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Grogan, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Howells, Dr Kim
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Keen, Alan *(Feltham & Heston)*

Khabra, Piara S
Kilfoyle, Peter
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Lepper, David
Levitt, Tom
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
McAvoy, Thomas
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Meacher, Rt Hon Michael
Meale, Alan
Michael, Rt Hon Alun
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tynan, Bill
Vis, Dr Rudi
Ward, Ms Claire
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wilson, Brian
Winnick, David
Wood, Mike
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Mr. David Clelland and
Mr. Jim Dowd.

NOES

Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Ballard, Jackie
Boswell, Tim
Brady, Graham
Brazier, Julian
Bruce, Malcolm *(Gordon)*
Burstow, Paul
Campbell, Rt Hon Menzies *(NE Fife)*
Cash, William
Collins, Tim
Cran, James
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Dorrell, Rt Hon Stephen
Emery, Rt Hon Sir Peter
Flight, Howard
Garnier, Edward
Gill, Christopher
Gray, James
Greenway, John
Harvey, Nick
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Horam, John
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Kirkwood, Archy
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
Mawhinney, Rt Hon Sir Brian
Paterson, Owen
Portillo, Rt Hon Michael
Robertson, Laurence
Russell, Bob *(Colchester)*
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Stanley, Rt Hon Sir John
Steen, Anthony
Swayne, Desmond
Syms, Robert
Taylor, Matthew *(Truro)*
Tredinnick, David
Tyler, Paul
Webb, Steve
Whittingdale, John
Yeo, Tim

Tellers for the Noes:
Mrs. Eleanor Laing and
Mr. Peter Luff.

Question accordingly agreed to.

Clause 113 ordered to stand part of the Bill.

Bill (Clauses 1, 12, 30, 31, 59, 102 and 113) reported, without amendment; to lie upon the Table.

Land Drainage

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Allen.]*

11.27 pm

Mr. David Heath (Somerton and Frome): I am grateful for the opportunity to raise a matter of great importance to my constituents—land drainage in the Somerset levels. I thank the Minister for seeing my hon. Friend the Member for Taunton (Jackie Ballard), the right hon. Member for Bridgwater (Mr. King) and myself yesterday and for his helpful comments on that occasion.

As the Minister knows, the Somerset levels are a valuable area for many reasons, including not only their scenery and wildlife but the particular way of life there. The one thing that cannot be said about the levels, however, is that they are dry; indeed, they are extremely wet. I do not intend to blame the Government for the fact that it rains in Somerset, because it has done so for a very long time. Nevertheless, flooding is an ever present threat in the area, and in recent years it has been a reality for too many people, with extremely serious consequences for their livelihood and living arrangements.

There are several different categories of interest that coincide on the levels. There are those of the people who live there and those of the communities, and the two sets of interests are not identical because there are individual concerns as well as those of villages and wider areas. There are the problems of agriculture, which is not defined by a single category. As well as small dairy farmers, we have people who are trying to use the land for arable purposes. We also have withy growing and practices that are unique to our area of Somerset. Some of the land is marginal and some is taken up by smallholdings that are difficult to maintain as viable. Some of the land is of high quality, and the concerns do not apply.

The other important factor, which is never to be forgotten, is the great environmental value of the area, which is recognised nationally and internationally as a wetland of great importance.

Each of those interests has different expectations. Individual residents' primary expectation is to be able to enjoy their homes without the water bursting in and ruining it. Communities expect that their businesses will be able to carry them through the winter months, and that they will not have to be cut off because their only road is under water and remains so for long periods. Essentially, they want to feel that the outside world is interested in the continuation of their way of life.

Agricultural interests present a more difficult equation. They have learned to live in balance with the environment; many schemes are designed to support that balance and maintain the equilibrium. Having said that, and although farmers in lowland areas realise that they will occasionally experience winter flooding, they do not expect substantial summer flooding. They do not expect water to be allowed on to their land, to remain there until deoxygenation occurs and they lose the grass hay or crops that they planted; nor do they expect to have to move cattle into buildings during the summer because no pasture is available for long periods.

On the environment front, the expectation is that the water table will be maintained at a reasonably high level. Equally, however, it makes no sense in environmental terms for large areas of land to be covered in water for long periods, because that destroys the very environment that we want to protect and is not the traditional way to maintain the natural habitat.

The experience is, in some ways, contrary to expectations. I remember the flooding that occurred in my constituency in 1997—the Minister might recall our correspondence at that time. West Moor and South Moor were flooded, quite unexpectedly, when a substantial inundation occurred in August. For various reasons, the Environment Agency chose to leave the water on farmland for a long time, and the result was serious problems for the farmers affected. However, in recent years, flooding in winter months has been more severe than many people expected. Last winter, it was mostly moors in the Taunton and Bridgwater constituencies, not my constituency, that were the worst affected. Nevertheless, communities were cut off, property was damaged and many people experienced considerable difficulty.

The reason why that has happened in successive years is a matter of conjecture. Some say that it is a result of global warming. Yesterday, the Minister said that the result of that should actually be drought in Somerset, but he would not survive long if he came down to the levels and told the people there that they are experiencing drought. However, it is possible that the flooding is a product of climate change.

The problems might also be an effect of maintenance procedures and the flood defence regime that is currently being worked on. That gives rise to particular concern not only because we are experiencing difficulties in lowland areas—to a certain extent, we expect that, although criticism has been voiced about whether the Parrett is providing the required drainage and the rhines are being cleared out regularly—but because there are problems on more elevated land. That is not marginal land or lowland, but prime dairy pasture that has never flooded—land that is not flood plain.

Recently, I went to the Cary valley to inspect the state of the River Cary near Somerton and Castle Cary. In that area, land that historically has not normally flooded has being lying under water. Those who farm the land and know it best are suggesting that something has changed. They suspect that the problem is due to lack of maintenance and clearing, but we cannot be sure that that is so. It may be a contributory factor among many.

Does the Minister accept that there is a fragility to the consensus that many of us have tried to build over the years in that area of the county? That consensus was built on a very difficult genesis. When we first started looking at the need to protect the habitat of the Somerset levels, there was, as the Minister knows, great dissension between the agricultural community and the environmentalists. There was a feeling that neither side understood what the other was trying to do. Eventually, those forces came together and a modus vivendi was accepted. My worry is that that will break down.

I hear the same suspicions expressed today by the conservation and environmental bodies that I heard 10 or 15 years ago—that there is somehow a continual effort to raise the water table and that that ignores the interests of local people. That is of course against the economic backdrop of the crisis in agriculture and the effect that even a small reverse can have on a farm that is only

[Mr. David Heath]

marginally viable. People are rightly worried about their livelihoods and the effect that such a change will have on them.

Are the flood defence structures still the most appropriate? That was addressed comprehensively by the Agriculture Committee report on the issue, which I commend. Having re-read the report, I find it complete and helpful. Some of its conclusions are far reaching. Is the tiered structure—regional and local flood defence committees and internal drainage boards—providing the confidence that local communities might expect? Are all the people who need to be involved—the players, the partners—sitting around the same tables? Do we have a co-ordinated approach? Are the financial arrangements sufficient to the task?

In Somerset, the precept for flood defences has steadily risen. It is now up to £5.978 million. Over the past two years, it has increased by 11.5 per cent. and 8.2 per cent. respectively. It is the highest per person for any area of England and Wales. Somerset is not a particularly affluent county—it is not the poorest either—yet it is paying that very high share for the defence of land that might be considered a national and international resource. That cost is largely met by local council tax payers.

The other major factor is the diversion of precepted funds to coastal defence. I do not for one moment decry the need for coastal defence but, considering that the Minehead sea defence cost £12.5 million, such defences take a very large chunk out of the precepted amount, diverting funds from internal land drainage, which prevents flooding on the levels, to the task of keeping the sea out. We need both, and it is hard to understand how the cake can be so divided.

I want the Minister to consider whether there is a need to develop not just a response to individual flooding problems but a properly managed strategy for the Somerset levels and, indeed, beyond to the rivers that feed them from the higher ground surrounding the basin. I say that because I do not believe that it is simply a matter of resources or of providing more and more money for engineering work. I do not think that that will have the desired effect.

The desired effect will be achieved by ensuring that maintenance is carried out and that the dredging of channels, rhines and the major rivers, especially the River Parrett, is done effectively. New ways must be found to ensure that water is retained in places where it is environmentally helpful and, so far as possible, does not damage local communities and agricultural interests.

We need to find new ways to diversify agriculture in the areas where flooding cannot be avoided in the long term. New ways to prosperity must be found for the people who farm that land, who have known no other way of life, and who have a reasonable expectation that they can still derive some sort of livelihood from the land. We need to consider both the social and the economic costs of continued flooding. That is not sufficiently addressed in the present funding formula.

If a village is cut off for three weeks, which is not an unreasonable suggestion—I remember that at one time Muchelney was cut off from the outside world for three to four weeks—that has an enormous social cost for the people living there, who are trapped in their village and find it difficult to get out. That is not recognised in the way in which resources are applied at present.

If we could move towards a more co-ordinated and more forward-looking strategy for the levels area and the Parrett basin, we would be making a significant advance. Does the Minister believe that the Government could and would support such a move? Would they encourage local interests to do so? Will the Minister work with colleagues to make sure that the funding is available to make it happen if solutions can be found, no matter how incomplete they may be?

A solution will not come directly out of the precepted amount or from a central Government grant specifically for flood defence. It must be attracted from a variety of sources dotted around various Departments. If the Minister undertakes to examine solutions to the problems of the Somerset levels, I know that local people are prepared to sit around a table and work together to try to find solutions that will be satisfactory for them. The aim must be not to destroy the environment of that precious area, and not to destroy the legitimate social and economic expectations of the people and communities there and of the agricultural areas surrounding the levels and on them.

11.43 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): I congratulate the hon. Member for Somerton and Frome (Mr. Heath) on obtaining the Adjournment debate, and on the thoughtful and sensible way in which he has made his case and analysed the situation relating to the Somerset levels, which he clearly knows well.

There is no doubt that concerns exist about the funding of flood defences on the Somerset levels and moors. It is not just a matter of resources, as the hon. Gentleman rightly said. The right balance must be struck between the various interests in the area, meeting the needs of the agricultural community and taking into account the internationally recognised conservation value of the Somerset levels, which have been designated as a special protection area and an environmentally sensitive area. It must be acknowledged that farmers depend on the area for their living and that the communities living there can be severely affected at times of flood, as the hon. Gentleman made clear.

The Somerset levels are a natural flood plain, and flooding is part of the natural cycle of events. As the hon. Gentleman rightly said, many people who live and work in the area are used to that natural cycle, and farming patterns have traditionally been based on the need for sustainability, particularly in relation to summer grazing and pastures.

Over the years, there have been changes—for example, arable crops have been introduced—and that has meant a high level of pumping, which has required much investment. We have also had some exceptionally wet winters, so the Somerset levels have been subject to more flooding than people have hitherto been used to. That may well be the result of climate change due to global warming. We certainly seem to be entering a period of wetter winters and drier summers, which has implications for areas such as the Somerset levels, water level management and the Government's allocation of resources for investment programmes. However,

the problems of the Somerset levels are a local matter. Local people must come together to assess the flood defence needs of the area and to determine their priorities.

The Ministry of Agriculture, Fisheries and Food has promoted the production of water level management plans, particularly in environmentally important areas, as a means by which the different needs, including farming and conservation, can be identified, balanced and integrated. Such plans are in place throughout the Somerset levels and moors.

MAFF also recognises that, because of the particular restrictions under which farmers may have to work in environmentally sensitive areas, there is a case for agri-environmental payments. In that regard, farmers in the Somerset levels receive £2.7 million per annum. That is also reflected in the production and agreement of water level management plans.

With regard to community involvement and proposals to deal with the particular problems of the Somerset levels, I support the drawing up of catchment plans. In the Somerset levels, that involves the River Parrett catchment area. There are local proposals to bring together local bodies, such as the Environment Agency, regional flood defence committees, drainage boards, councils and so on, to develop a catchment plan, which may well have implications for determining what needs to be done and arriving at a strategy bearing in mind the available resources. Once the local agricultural and environmental priorities have been determined, local people must consider the various ways in which they can be supported, whether through traditional funding, through precepts raised locally by the regional flood defence committees and capital grants from MAFF, or through the new regional development programme, recognising the unique nature of the Somerset levels and their importance to local communities and nationally.

I am more than willing to consider those issues once the strategy has been drawn up, but I emphasise that such a strategy should be drawn up by local bodies through local representation and the local structures which are in place.

The Government have increased funding for flood and coastal defence by £23 million to a total of £230 million for the three years from the financial year 1999–2000. We will have to take account of the implications of rising sea levels and global warming in our future budgets and the money that we allocate.

I understand that there are proposals for the implementation of major schemes on the lower River Tone at Stanmoor, Baltmoor and Hook bridge in the next three years. They may tackle some of local residents' anxieties about flooding.

The hon. Gentleman asked about funding for the area. It is a tribute to Somerset that the regional flood defence committee has taken its precept duties seriously. In contrast to other parts of the country, especially in the south-west, Somerset has not reined in the resources that have been made available to local councils through the standard spending assessment for flood defence, or refused to pass them on to the regional flood defence committee.

The Government have made more resources available. There was an increase in the standard spending assessment of 6 per cent. in 1997–98, 5.1 per cent. in 1999 and 6.3 per cent. in 1999–2000. The overall grant earnings ceilings—grant rates that are set for Somerset and constitute approved capital expenditure—have been exceeded. The original agreement in 1997–98 was for £3.2 million. Actual expenditure was £4.8 million. The agreement in 1998–99 was for £2.7 million and actual expenditure was £4.5 million. The agreement for 1999–2000 was for £2.6 million and the current estimate of expenditure is £3.7 million. I accept that, as the hon. Gentleman said, expensive coastal defence works, especially in Minehead, are mainly responsible for that spending. They have absorbed much of the budget.

The Government recognise that we have a responsibility for flood and coastal defence. We take it seriously in relation to the money that we have allocated. We are allocating an increasing amount of money for flood and coastal defence, and we take account of the needs of areas such as the Somerset levels.

We must balance the needs of the communities in the area that the hon. Gentleman represents with our international obligations to an important and fragile conservation area. We will play our part in supporting local communities and responding to the recommendations that have been made to us by the regional flood defence committee and the Environment Agency.

The hon. Gentleman made legitimate and important points. However, I stress that local people should come together and agree a long-term management plan based on river catchments. Once the plans have been agreed, the issues identified and the priorities decided, I shall be only too willing to examine the proposals and respond as positively as I can.

Question put and agreed to.

Adjourned accordingly at seven minutes to Twelve midnight.

House of Commons

Thursday 4 May 2000

The House met at half-past Eleven o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES BILL *[LORDS] (BY ORDER)*
Order for consideration, as amended, read.
To be considered on Thursday 11 May.

KENT COUNTY COUNCIL BILL *[LORDS] (BY ORDER)*

MEDWAY COUNCIL BILL *[LORDS] (BY ORDER)*

MERSEY TUNNELS BILL *(BY ORDER)*
Orders for Second Reading read.
To be read a Second time on Thursday 11 May.

Oral Answers to Questions

EDUCATION AND EMPLOYMENT

The Secretary of State was asked—

Job Retention Pilots

1. **Mr. Andrew Miller** (Ellesmere Port and Neston): If he will make a statement on the role of the new job retention pilots. [119615]

The Parliamentary Under-Secretary of State for Education and Employment (Ms Margaret Hodge): The pilots will develop effective ways to prevent people having to give up work because of illness and disability. Each week, about 3,000 people are forced to stop working for those reasons and only 300 will ever work again; that is an unacceptable waste of talent. We will announce our detailed plans for the pilots in the summer.

Mr. Miller: I welcome my hon. Friend's statement. However, we really need a cultural change. Will she join me in urging employers' organisations to bring about such a change so as to make it possible for people who develop disabilities to retain their jobs?

Ms Hodge: I agree entirely with my hon. Friend that we require a cultural change. Some employers are working closely with us and on their own to ensure that they employ more disabled people. For example, Centrica in Manchester has worked with us on a pilot; the company has taken on 50 disabled people. May I share a little story with the House, Madam Speaker? It is a good one. When I visited Centrica, I met a man, who had been out of work for five years—this is not very funny—who had a hearing impairment. He was given work by Centrica, who told me—surprise, surprise—that his productivity was double that of any of his co-workers. What was especially warm and heartening was that three of the people at his workstation were learning how to sign. That is exactly the social and economic inclusion to which we aspire.

SSA (South Gloucestershire)

2. **Mr. Steve Webb** (Northavon): On what basis the education standard spending assessment for primary school pupils in South Gloucestershire was calculated. [119616]

The Minister for School Standards (Ms Estelle Morris): Education funding for primary and secondary school pupils is distributed to local education authorities through standard spending assessments, which are calculated using objective information about the demographic, economic and social characteristics of an area—such as pupil numbers, census data and income support data.

Mr. Webb: As the Minister is well aware, the primary children of South Gloucestershire are at the bottom of the league for funding in England, as they have been ever since the council was created. Do the Government believe that it costs less to educate a child in South Gloucestershire than anywhere else in the country? If that is not their belief, when can my constituents expect the situation to change?

Ms Morris: The answer to the second question is, probably not. I congratulate the hon. Gentleman for taking every opportunity to put that question. Time and again we have made the answer clear and, at the risk of sounding repetitive, I repeat that, when we make changes, we must get them right. The consequence of getting it wrong is what he and we are living with—18 years of inaction on SSAs and LEA funding by the previous Conservative Government. I am sure that the hon. Gentleman would prefer us to tackle the matter properly by looking at the evidence and building a fair and transparent system that gives every school and LEA a chance to raise standards.

A Green Paper will be published in the summer. Meanwhile, I know that the hon. Gentleman acknowledges that we are doing our best—within the freeze on SSAs—to put more funding into schools. As his question was on primary schools, he will welcome the fact that, whereas about 3,500 five, six and seven-year-olds in his area were in classes of more than 30 at the time of the general election, the number is now as low as 670. We are making progress where we can; we shall review the funding in the summer.

Mr. David Drew (Stroud): Will my right hon. Friend look again at the work of the E40 Group, of which South Gloucestershire—like my authority, Gloucestershire—is a member? Will she consider not only additional educational needs, but the proposals to try to bring below-average spending authorities up to the average, so that the whole system is genuinely fair?

Ms Morris: I have indeed considered the work of the E40 Group on—in its view—the worst-funded LEAs. That is part of the evidence that we shall examine; it will

inform our judgments. We all know that it is not easy to decide on a formula that everyone considers to be fair. No Member of the House has ever told me or my right hon. Friend the Secretary of State that the funding formula treats them too well; we must bear that in mind. However, of course, we acknowledge that some children and some schools need extra resources to raise standards, so we are not arguing for a flat rate. My right hon. Friend is interested in a pupil entitlement on which we can build with fair, transparent extra money for those schools that need it most. That is without commitment to the work of the E40 Group, but, of course, its research will form part of our thinking over the next few months.

Teacher Training

3. **Mr. Tom Cox** (Tooting): If he will make a statement on the teacher recruitment and training salaries for postgraduates entering teacher training. [119618]

The Secretary of State for Education and Employment (Mr. David Blunkett): On 30 March, I announced training salaries for postgraduate initial teacher training, improved golden hellos for those training and going on to teach in shortage subjects and new funding for schools offering places on the graduate training programme, with 13,000 salaries to encourage, in particular, mature students into that route. Since then, almost 2,000 people have applied to do postgraduate certificates of education—nearly 30 per cent. up on the same period last year. I have asked the Teacher Training Agency to help reinforce that by putting in place a major advertising campaign. Given that, and the new measures to improve the salary and earning prospects of teachers, we hope to be able to attract many more of our best graduates into teaching.

Mr. Cox: I thank my right hon. Friend for that detailed and welcome reply. He and his team are to be congratulated on the efforts that they have made to achieve substantial increases in salary to graduates coming into the teaching profession and on the increased status that such salaries will give to the profession. Everyone from both sides of the House knows from our communities that the general public want ever-increasing respect for the teaching profession. My right hon. Friend's announcement this morning is a clear indication of the Government's commitment to that.

Mr. Blunkett: I am grateful for the support of my hon. Friend. The endeavour now is to get everyone, including teachers and their leaders, to spell out the message that teaching is a good profession to enter. It is fulfilling and rewarding and it is an essential part of ensuring that the next generation is better educated than the last.

Mr. Desmond Swayne (New Forest, West): Those are welcome messages, but more important will be the ability to retain new teachers, and that will depend on sustained funding of pay increases. Why has the Secretary of State top-sliced the budget, causing so many problems for local education authorities?

Mr. Blunkett: The hon. Gentleman will be aware that we have increased funding for this financial year by 8.5 per cent. in real terms, which is as much as the total real-terms increase that the previous Government put in during the whole of the previous Parliament. Our plans for the new pay awards and for the retention of teachers resulting from the increased salary potential will be welcomed by teachers from this autumn as they see the results coming through. That new money will be sustained over the years to come, so that those applying to go through the threshold to access the new pay levels and new incremental scales will have the guarantee that resources will be available not just from this autumn, but in the years to come.

Dr. George Turner (North-West Norfolk): I welcome the measures that the Government have introduced to ensure that teachers are properly paid and have proper respect in the communities that they serve, but can my right hon. Friend answer a question that was raised by a teacher in one of my local schools? She told me that she was disappointed to find that there was a time barrier and that she would have to serve for a number years before she could receive the enhancements under the new scheme. Is my right hon. Friend satisfied that good enough measures are in place to ensure that teachers can be promoted rapidly in the same way as young people so often are if they work in the private sector?

Mr. Blunkett: All teachers who are at point 9 on the scale or beyond will be entitled to access the £2,000 uplift and the consequent incremental scales that will take them to £30,000 and beyond. Those who are not yet at point 9 on the scale because they have not been in the profession long enough will be entitled, as from this autumn, to access the new fast-track procedures that will enable them to move more rapidly through the existing incremental scale so that they are able to access the new thresholds.

Mrs. Theresa May (Maidenhead): Not only have the Government failed to meet their targets for recruitment into teaching training—recruitment into initial teacher training fell again this year—but a recent poll showed that more than half of those in the teaching profession expect to leave it in the next decade because of the work load, stress and bureaucratic burdens that the Secretary of State is imposing on them. The Government's own better regulation taskforce has said that

> over-elaborate processes are being used to achieve straightforward objectives, leading to unnecessary duplication and confusing, excessive lines of accountability.

As an aid to attracting postgraduates and others into teaching and to encouraging more teachers to stay in the profession, will the Secretary of State now tell the House how many fewer, compared to last year, circulars, letters and notes his Department intends to send out in paper or electronic form to schools, directly or through local education authorities, in the remaining seven and a half months of this year?

Mr. Blunkett: It would be futile to give a statistical answer setting out how many pieces of paper I shall send out or the number of electronic communications that will be made, not least because, as the better regulation taskforce pointed out, many of the missives that schools are complaining about come from other agencies or local authorities and not from the Department, where the working party report has been implemented. *[Interruption.]* I am being heckled by Conservative

Members. The statistics that they quoted publicly turned out to relate to education authority missives to schools and not to the batch mailings from the Department.

There is the problem of ensuring that the material that goes out is relevant, is in the right form, is accessible and genuinely consults where that is necessary. We shall take whatever steps are needed to make that happen and to ensure that we get things right. In the end, people are not put off from coming into teaching because of consulting on regulations and the sending out of pieces of paper to ensure that teachers have up-to-date information on best teaching practice. They are put off by the Jonahs who keep on saying that teaching is a bad profession to be in and playing down the enormous gains that have been made in literacy, numeracy, standards of education and pay levels.

Education and Training Inspections

4. **Dr. Rudi Vis** (Finchley and Golders Green): If he will make a statement on area-wide inspections of education and training for 16 to 19-year-olds. [119619]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Malcolm Wicks): Area inspection reports provide, for the first time, an overview of education and training for 16 to 19-year-olds in an area. They will identify issues to be addressed, and it is vital that these are followed up in the interests of the young people concerned. The first report, a very useful one on Hackney and Islington, was published on 7 April. The new inspections are an important mechanism in our strategy to achieve decent options for young people.

Dr. Vis: I thank my hon. Friend for that answer. Does he agree that, from next year onwards, the local learning and skills councils will play a crucial role after the inspections have been completed because they will integrate both funding and planning for 16 to 19-year-olds? Is it not the case that the Conservative party divided schools and colleges—providers of education—in such a way that they could not sensibly plan?

Mr. Wicks: I agree with my hon. Friend. We inherited a difficult situation in which too many young people—about one in 11 throughout the nation aged 16 to 18—are not in education, training or employment. We are determined to rectify that appalling situation in the interests of those young people and their families—hence the importance of the Learning and Skills Council. It will be set up by the Learning and Skills Bill, which is in Committee. I agree with my hon. Friend that it represents an important new mechanism. It joins education maintenance allowances and the new Connexions service for young people to ensure that each and every one of our young people will have the best chance in life. In these endeavours, it would help our school sixth forms if the Tory party did not send them missives containing political propaganda and giving misinformation about the Government's intentions for high-quality sixth forms.

Mr. Tim Boswell (Daventry): Leaving aside the Minister's gratuitous abuse, is it not time that he put his house in order by taking a grip on the grotesque anomalies that are being created directly by his Department in relation to inspections, whereby the training of young persons is the remit of the adult learning inspectorate and their education is the responsibility of Ofsted? Any area inspections will have to be led somewhat uncomfortably by a framework arrangement between the two inspectorates. When the Minister has sorted out these bristling anomalies, will he get whatever inspectorate he then brings forward to consider carefully recruitment into further education, where on Government targets enrolments should be rising by about 10 per cent. a year on average? In fact, last week's figures from the Further Education Funding Council showed that they were falling between 1 and 2 per cent.

Mr. Wicks: We are concerned about quality as well as quantity. We inherited a situation in which the numbers were inflated and quality was declining as a result of abuses of the franchising system. We shall stick to our targets, not for the sake of the arithmetic, but because we are concerned with quality and quantity. There can be no doubt about that. The Hackney and Islington inspection shows that sensible inspections are taking place; indeed, we are confident that different kinds of inspection can work well together.

Serious and rigorous debate about good practice is needed, not the Tory scaremongering that I highlighted. The Conservative party wrote to schools giving misleading information to parents about our intentions for school sixth forms, which have an important place in the future.

Mr. Barry Jones (Alyn and Deeside): In general, does my hon. Friend believe that further education colleges providing for that age group are equal to the task, bearing in mind the big reorganisation that they have undergone in recent years? Is he aware of my concern for those young men and women who are not academically able and tend to find themselves always at the bottom of the pile, especially in relation to their job prospects? Would my hon. Friend care to visit the Deeside further education college in my constituency and see the good work that it is doing with young people?

Mr. Wicks: I certainly agree that our further education colleges are doing some extraordinarily good work with, for example, some of the most disadvantaged people, giving those young people the second chance that further education is all about. I should like to take the opportunity to pay tribute to the college mentioned by my right hon. Friend and other colleges throughout the country.

Economic Activity Rates

5. **Mr. Alan W. Williams** (East Carmarthen and Dinefwr): What measures the Government are taking to raise the economic activity rate for men aged 50 to 65 years. [119620]

The Minister for Employment, Welfare to Work and Equal Opportunities (Ms Tessa Jowell): The Government have put in place a range of measures to help to raise the economic activity rate among men aged 50 to 65. Those measures are designed to expand the labour market and address skill shortages. The new deal for people aged 50-plus—which was launched by the Prime Minister last month—and the new deal for disabled people are helping many people over 50 to find work.

That drive is supported by the attack on age discrimination made through the code of practice for age diversity in employment, the publication of which was warmly welcomed by the Trades Union Congress and the Confederation of British Industry.

Mr. Williams: Does my right hon. Friend agree that an ethos has developed over the past 20 years which resulted in people over 50—many of whom voluntarily took early redundancy—feeling that they were on the scrap heap, but that that has now changed? As we approach full employment, the skills, expertise and extra output of those people is needed. Indeed, the income that they can bring is needed in many low-income households.

Will the new deal for the over-50s have a regional bias to help older industrial areas—such as my constituency—and those areas where there are high numbers of over-50s on incapacity benefit?

Ms Jowell: I thank my hon. Friend and entirely agree with his emphasis on the importance of halting the waste of skills and experience and delivering for all people of working age the prospect of employment for those who can work and security for those who cannot.

The important point is that the jobs are there and we must ensure that employers recognise the clear benefits of diversity in their work force. We are tackling age discrimination by putting in place job search programmes such as the new deal which, in its pilot phase, has already had considerable success in getting older people into work, offering individuals help, employment credit and assistance with in-work training. The new deal offers a package of measures and practical help, putting people into available jobs. It is linked to the intensive help being provided through employment zones in areas of high unemployment and the work of action teams who, later this year, will begin to tackle incidences of high unemployment. We have made a good start. There is a lot more to do, but older workers should recognise that they have much to fear from the Tories, whose hostility to the new deal and the help and opportunity that it has provided to young people and unemployed older people has been unremitting.

Mr. Michael Fabricant (Lichfield): The only reason that we are not enthusiastic about the new deal is that it simply does not work.

I should declare an interest in connection with the question, in that, later this year, I shall fall into the relevant age category.

Is it not true that what will count will be not the new deal or other programmes, but a change of attitude on the part of employers? Is it not true that older people, even old, grey-haired sketchwriters, have as much to offer as anyone else? With your permission, Madam Speaker, I shall read one paragraph from a very good and very lucid letter that I received this morning. It is actually about the possibility of our changing to a dollar currency, rather than to the euro, and I entirely accept that it would be out of order were it not that it demonstrates that age should be no barrier. It states:

> I think perhaps that I should remark that I am now over 100 years old and have served in both World Wars, in Mesopotamia, India, the UK . . . Canada and the USA.

Written by Brigadier E. M. Ransford, the letter demonstrates that what counts is not one's age, but one's enthusiasm, energy and zest for life.

Ms Jowell: Let me deal first with the hon. Gentleman's unfounded assertion that the new deal does not work. Do not take it from the Government—take it from independent research that confirms that the new deal is getting young unemployed people into work, that they are staying there and that it is having a substantial impact on reducing the scourge of long-term unemployment. If I had to choose between listening to the Opposition's assertions about the new deal and talking to young people who know that they would not have got into work without it, I know whose views I would take more seriously.

The hon. Gentleman is right about the importance of changing culture, but such a change alone is not enough. The new deal for older people, which offers practical help, advice and support, is the way in which we shall deliver on the hopes and ambitions of older people to leave benefit and get back into work.

Mr. John Bercow (Buckingham): When 2.8 million people between 50 and retirement age do not work, half of them are on benefits and half have been jobless for five years, why do the Government offer them only a tiny fraction of the funds that are given to the young unemployed? Exactly how many of the older unemployed does the Minister expect to return to the labour market as a result of the new deal for the over-50s? When she answers that question, will she explain why she has stood idly by as older people are driven out of the civil service, the teaching profession and the armed forces; and why the hon. Members for Huddersfield (Mr. Sheerman), for Middlesbrough (Mr. Bell), for Ochil (Mr. O'Neill) and for Workington (Mr. Campbell-Savours) have been denied ministerial office, simply because they are not spring chickens? Is that not proof positive that Ministers preach inclusion of older people, but then kick them in the teeth?

Ms Jowell: Perhaps we can take that as an Opposition mea culpa for the decision of the right hon. Member for Henley (Mr. Heseltine) not to seek reselection for the next election.

To return to the question, we expect that the new deal for older people will help about 45,000 people to go from benefit into work. However, it is in its early stages. The new deal offers the personal help, advice and support that people need, and the sort of help that older people need differs from that which younger people need.

As with all the new deals, we will learn the lessons of experience and apply them in practice, and will continue to build on the success of the new deal. We will take the advice and help offered by employers and young people who have participated in the new deal, rather than taking lessons from the Opposition, who have always been hostile to the opportunities offered by the new deal to young people.

Apprenticeships

6. **Shona McIsaac** (Cleethorpes): What plans he has to improve modern apprenticeships. [119621]

The Secretary of State for Education and Employment (Mr. David Blunkett): We recently outlined plans to improve the quality and rigour of modern apprenticeships, taking account of the recommendations of the skills taskforce and others. We will be consulting on the proposals, which are part of our drive to raise quality and standards in learning, and secure coherence and progression on the work-based route. That will involve foundation modern apprenticeships, which will subsume the youth and national traineeships, as well as expanding the advanced modern apprenticeships that have been so popular.

Shona McIsaac: Does my right hon. Friend agree that, in an area such as mine, which has oil refineries, chemical industries, docks and a great deal of manufacturing, it is vital that we provide high-quality modern apprenticeships and vocational training for young people who choose not to go into full-time education after leaving school? That will address the skills gap about which industry in my constituency complains, following years of cheap, low-quality youth training schemes peddled by the Conservatives.

Mr. Blunkett: It is essential that such high-quality routes are available; 350,000 young people have entered such schemes, almost 150,000 of them on the advanced modern apprenticeships. The programme that we are putting in place will increase the taught-time element, the specified period of off-the-job training, and the minimum period of training, and will tighten the entry requirements. There will be a clear route to complement the drive to get young people to stay on in full-time education at 16, to ensure that no one enters adult life without the qualifications to guarantee that they can get and hold a job.

ICT Training (Teachers)

7. **Mr. Derek Twigg** (Halton): What plans he has to enhance the training in information and communications technology given to serving teachers. [119622]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Michael Wills): Training for serving teachers in information and communications technology is part of our three-pronged integrated strategy for those technologies: first, an unprecedented £700 million investment in computers in schools and in the supporting infrastructure; secondly, a national curriculum that provides for the teaching of information and communications technology in our schools and its use across the curriculum; and finally, a £230 million teacher training programme in the use of those technologies, provided by the new opportunities fund.

Mr. Twigg: I thank my hon. Friend for that answer. Although training is essential, it is not in itself the answer to the problem. The money is welcome as well, but part of the difficulty that I see in my constituency and elsewhere is getting schools wired up quickly enough and having the equipment installed. What is being done to speed up the wiring and re-equipping of schools, to ensure that they get the full benefit of the Government's strategy?

Mr. Wills: I am grateful to my hon. Friend for drawing attention to the importance of integrating the strategy. As he is aware, there are three prongs to the strategy. We need to get the hardware into schools, we need to get the right quality software into schools, and we need to make sure that schools are properly wired up.

The internet will be crucial to the future of those technologies and to the future of our children in schools. That is why we are investing £37 million in developing broad band consortiums on a regional basis, to make sure that every school in the country has proper broad band access in the future. We are already making considerable progress on that. When we came to office in 1997, only 17 per cent. of primary schools had access to the internet. In 1999, the figure was 62 per cent., and we are on target to make sure that by 2002 every school in the country has access to the internet.

Mr. James Clappison (Hertsmere): Following the Government's regrettable decision to abolish the assisted places scheme and thus deprive children from lower-income families of the opportunity to go to independent schools, are not the Government making another mistake by excluding teachers from independent schools from training in information and communications technology? Should not we be taking down barriers between the state and the independent sector rather than putting up more barriers? Is not putting up barriers in that way likely to prove damaging to the state and the independent sector? Is it not utterly feeble of the Minister to say, as he did in a written answer to me, that

> The Department is currently exploring ways in which the independent and state sector can work together in order to spread good practice in the use of ICT training . . .—[*Official Report*, 19 April 2000; Vol. 348, c. 561W.],

while at the same time taking away from teachers in independent schools the opportunity to have such training?

Mr. Wills: No. I am sorry that the hon. Gentleman could not find it within himself to welcome the fact that we are working together to explore these opportunities. Perhaps I may give him a short lesson in why we have taken the steps that we have. Scarce resources must always have priorities attached to them. The making of hard choices is a difficult concept for an Opposition who are so busy stapling themselves to their tax guarantee, but hard choices are what we have to make, and that is what we have done. The new opportunities fund training is targeted at the national curriculum. It supports the literacy and numeracy strategies in primary schools and it complements Government funding for ICT equipment in state schools.

Independent schools do not operate within the national curriculum, nor are they required to address other Government strategies. Eligibility for the training depends on there being sufficient ICT equipment in schools and on satisfactory ICT development plans being in place. We cannot require such a coherent and integrated approach in the independent sector, so we thought it right to target our resources on the state sector. We make no apologies for doing that. Parents are well aware of that when they choose independent schools for their children. It is for the

independent schools to access the training that is suitable for their teachers and the ethos and programmes that they adopt.

Valerie Davey (Bristol, West): Schools in my constituency welcome the further development of the equipment and the training, but I should like to hear further from my hon. Friend the Minister on the extent and nature of that training. Will he confirm that it is not simply training in the use of the equipment, but that it is a tool in the education service for the further development of the curriculum?

Mr. Wills: I am happy to give my hon. Friend that assurance. The whole purpose of the training is to teach teachers not how to switch on computers but how to integrate them into the curriculum; how to deliver all the technology's benefits for children's educational experiences and learning. That is important. We have allowed a great deal of local flexibility and autonomy for schools to choose the particular method of training that best suits their particular circumstances, and also to choose the providers that suit them best. There are about 50 separate providers of such training from which schools may choose.

Class Sizes

8. **Mr. George Stevenson** (Stoke-on-Trent, South): What progress has been made in reducing class sizes for five, six and seven-year-olds. [119624]

The Minister for School Standards (Ms Estelle Morris): The Government are well on course to deliver their pledge to reduce the size of infant classes to 30 pupils by September 2001 at the latest. Statistics published recently show that the number of five, six and seven-year-olds in infant classes of more than 30 went down by half from January 1999 to January 2000. By this September, we expect as few as 3 per cent. of children to remain in infant classes of 31 or more.

Mr. Stevenson: The £2.3 million made available for staff and buildings in Stoke-on-Trent, which this year alone will mean an additional 40 primary school teachers, is extremely welcome. Does not my right hon. Friend's reply starkly illustrate the difference between the Government, who deliver on their pledges, and Conservative Members who sit back and criticise? Is not another success the increasing number of children who now find that, because of the Government's policy, they can go to their first preference school? Is not that in stark contrast to the Opposition's dire predictions when the Government announced the policy?

Ms Morris: My hon. Friend is entirely right. I congratulate Stoke-on-Trent local education authority on developing a plan that has reduced the number of children in large classes from 2,500 at the time of the general election to only 750 now. Stoke-on-Trent LEA will deliver the pledge a full year ahead of time, which is very much in the interests of children in my hon. Friend's constituency.

I further agree that the pledge has been delivered. It has been delivered early and, as my hon. Friend said, has created more places in popular schools. Of the extra places that have been created, 12,000 have been in over-subscribed schools, and that has increased parental choice. The key point is that that, together with the Government's and teachers' success in the literacy and numeracy hours and the expansion of places for early years learning, means that in three years we have delivered the better start to schooling that so many parents wanted and for which they voted at the general election.

Mr. David Heath (Somerton and Frome): Although I greatly welcome the reduction in class sizes in infant schools, will the Minister deal with two problems that result from that? Contrary to the experience of the hon. Member for Stoke-on-Trent, South (Mr. Stevenson), in my area the rigidity of the admission appeals criteria means that many frustrated parents cannot get their children into schools with limited accommodation. Secondly, there are knock-on effects for class sizes in the upper end of primary, middle and secondary schools. When will there be a timetable for reducing class sizes for older children?

Ms Morris: I am not sure whether the hon. Gentleman's question stands up. The recent statistics on junior schools show that this year, for the first time, there has been a reduction in the number of classes of more than 30 children in junior schools which cater for seven to 11-year-olds. Our class size pledge has not been at the expense of older primary school children—far from it. Class sizes in infant, junior and primary schools are down. That shows the importance of what has happened over the past three years.

The hon. Gentleman is right in that the pupil-teacher ratio in secondary schools has increased from 17:1 to 17.1:1. What decision would he have made on allocating resources in the first three years of a Parliament? We made a pledge on class sizes in infant schools because that is where small classes matter.

My right hon. Friend the Chancellor made money available in the Budget. It will be paid directly to schools so that they can decide how to spend it. If every secondary school decided to use that money to employ teachers—they could do that if they wished—there would be 3,500 extra teachers. Rather than halting the increase in secondary school class sizes, such a decision would reverse it. We have fulfilled our pledge on infant and primary schools; the decision on secondary schools is in the hands of head teachers.

National Grid for Learning

9. **Mrs. Betty Williams** (Conwy): If he will make a statement on the development of the national grid for learning. [119626]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Michael Wills): The national grid for learning has made great strides towards becoming the centre for learning on the internet. We have made tremendous progress in connecting our primary and secondary schools to the internet, and we are on target for making sure that every school in the country is connected

by 2002. A great deal has already been achieved. However, much remains to be done. That is why we have made more funding available for the next two years.

Mrs. Williams: I thank my hon. Friend for that answer. He said earlier that 62 per cent. of primary schools had been connected to the internet by last year. Will he confirm that 93 per cent. of secondary schools had also been connected by last year? Will he stress that new technology can be used to enhance standards for pupils with special educational needs?

Mr. Wills: I am happy to confirm that 93 per cent. of secondary schools are connected to the internet. We expect every secondary school in the country to have access to the internet by 2002.

Information and communications technology is important for the education of all children, but it can be a key resource for children with special educational needs. It has enormous potential to enhance the educational experiences of those pupils and the capacity to open the door to their full participation in education alongside their peers. It is a powerful means of combating the exclusion of that specific group of pupils.

As part of our strategy for ensuring that the national grid for learning deals fully with those needs, we launched a new website—the inclusion site—earlier this year. We believe that it will become the centre for resources and advice on special educational needs.

Sure Start

10. **Mr. Phil Sawford** (Kettering): If he will make a statement on progress in implementing the sure start programme. [119628]

The Secretary of State for Education and Employment (Mr. David Blunkett): Of the 60 original trailblazers, we now have 57 up and running and another three are about to start. They benefit 237,000 children and their families. A further 69 sure start programmes have been invited to submit their final plans. As I found when I visited the sure start programme at Accrington and Church in the Hyndburn borough last week, there is enormous enthusiasm among the families, the community and those who are playing their part as partners to make that new foundation for overcoming inequality a reality in those areas.

Mr. Sawford: I thank my right hon. Friend for that answer. Does he agree that although a measure of the sure start programme's success will be the readiness of young children to start school—it will also help their social skills and their personal development—there is another aspect to the equation, namely the help that parents need? How will sure start support new parents as they embark on the important task of nurturing the next generation?

Mr. Blunkett: I am pleased to be able to tell my hon. Friend that the sure start programme is intended to help, support and develop parents' skills from the moment the child is born. We are considering the development of work in the antenatal phase so that we can develop, with parents, the capability to cope from the moment of birth to ensure that the child development and educational skills are available and that they link with the community health services as effectively and quickly as possible. We believe that development during the early years will make an enormous difference in narrowing the gap between the haves and have-nots and will enable our schools to take those children on in a way that would not otherwise be possible.

Mr. Edward Leigh (Gainsborough): I am glad that you called me just in time, Madam Speaker. I have to pick up my two-and-a-half-year-old from his nursery school at 12.30. Many of us have been under huge constituency pressure about pre-schools, which are under threat. The Pre-School Learning Alliance calculates that up to 3,000 pre-schools may close because of the drive to get children into ordinary schools. I am sure that the Secretary of State believes that pre-schools do excellent work, so how can we nurture that movement?

Mr. Blunkett: Playgroups do excellent work, which is why we are putting more public funding into them than ever before and why we have provided an additional £500,000 this year to protect them, but, as the hon. Gentleman himself shows, parents choose whether their child goes to a nursery or a playgroup. He has chosen, and is about to pick up his child from, a nursery. I would be the last person to force him to take his child out of the nursery and place it in a play group.

Mr. Vernon Coaker (Gedling): The way in which the Government are tackling child poverty—they are making a real impact—is one of their great achievements, and we should loudly celebrate it. The sure start programme tackles inequality and is often focused on inner cities, but will my right hon. Friend assure me that we will also consider the poverty that exists in small areas of deprivation outside cities, and that applications for sure start schemes will be accepted from them so that we tackle inequality in all our communities?

Mr. Blunkett: The answer to the second part of the question is an unequivocal yes. There is a real need to be able to tailor future programmes to meet the needs of small pockets of deprivation, and we shall do so. On the first part of the question, yes, the programme is designed specifically as a positive, self-help, self-determining method to overcome poverty—not a handout, but a hand up. The 20 per cent. of children in poverty who will benefit from the first programme of sure start investment will be the beneficiaries of what I hope will be long-term investment that will show fruit not merely in terms of the children's development and entry to school, but their life chances throughout the rest of their lives.

Mr. Phil Willis (Harrogate and Knaresborough): We strongly support the sure start programme and compliment the Government on what they are trying to achieve, but does the Secretary of State agree that it is a small part of the overall provision of places for four-year-olds in early years and child care development plans and that an uneven playing field is being developed? Only maintained nursery schools received any additional money in the Budget. Everyone else received nothing, even though they are part of those plans.

Moreover, in January the Secretary of State told the National Day Nurseries Association:

> Nurseries have raised with us the issue of rates they pay on their premises and their wish for a level playing field . . . These rates should reflect the fact that childcare providers in the private sector who offer nursery education in similar premises to those in the public sector should not be disadvantaged.

When will the Secretary of State deliver on the promise that he made in January?

Mr. Blunkett: All nurseries receive £1,170, so the playing field is level in terms of input. The long-standing issue that has been raised with us relates to whether private nurseries are treated in the same way as other nurseries in terms of council tax. I said in January that we would sort that out, and we will, but it will take time to prepare and deliver the necessary regulations. That is one of the frustrations that accompany the joys of being in government.

Mrs. Theresa May (Maidenhead): I think that fairly soon we shall be experiencing those joys ourselves.

Does the Secretary of State not realise that all his claims about the success of sure start—and, indeed, about the Government's overall child care strategy—are wearing a bit thin in the view of parents who are suffering from the impact of his policies? He has presided over a fall in the number of child care places with child minders and pre-schools and the closure of 2,000 pre-schools, and, as my hon. Friend the Member for Gainsborough (Mr. Leigh) pointed out, more than 3,000 pre-schools are threatened with closure.

The Under-Secretary of State for Education and Employment, the hon. Member for Barking (Ms Hodge), told parents who were worried about the closure of their local nursery schools that they were being elitist. Parents want choice, but they fear that their children are being forced into primary school classes too early as a result of the Government's policies. When will the Secretary of State recognise that parents do, in fact, want choice and do not want to be bossed about constantly by this increasingly interfering Government?

Mr. Blunkett: So parents do not want to be bossed about, except when the Opposition want to boss them into accepting a particular type of provision. We cannot order parents to choose a particular type of provision. It was, after all, the nursery voucher scheme that encouraged parents and schools to adopt the option of reception classes and "rising fives". The sheer hypocrisy of it all is breathtaking. With child care and early years places, we have in just 18 months created three times as many places as were created throughout the 18 years of Tory government.

Perhaps the battle that is taking place today between Tory and Liberal Democrat candidates for control of Windsor and Maidenhead council has misled the hon. Lady into believing that gaining control of that council is the same as returning to government. As he may be the only Labour candidate who wins, let me take this opportunity to wish my old school friend Tony Randall every success in the hon. Lady's constituency.

Higher Education

13. **Mr. Robert Syms** (Poole): What recent representations he has received on the financing of higher education. [119636]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Malcolm Wicks): My right hon. Friend the Secretary of State has received a number of representations on funding for higher education. His announcement on 23 November 1999 outlined the Government's plans up to 2001–02. To maintain the high quality of our higher education and to encourage research and innovation, we plan to invest more than £1 billion extra over the four years from April 1998—an increase of 11 per cent. in real terms.

Mr. Syms: Can the Minister confirm that the last Labour manifesto did not mention that higher education would be given a lower priority under the present Government than it was given under the Conservative Government? A recent parliamentary answer revealed that the last Conservative Government spent 1.29 per cent. of gross domestic product on higher education. The present Government are spending 1.14 per cent. of GDP on higher education. Perhaps the Minister will assure the House that the Government will be more honest about that dismal failure.

Mr. Wicks: Of course, GDP has increased substantially under the present Government and expenditure in universities is increasing in real terms. If the Conservatives are interested in statistics, let me say that, between 1989 and 1997—the Tory years—there was a real-terms reduction of 36 per cent. per unit cost. That was the reality during the Tory years. That meant—let me spell it out—£2,553 per student. We will maintain quality while seeing numbers rise in our universities.

Mr. Tam Dalyell (Linlithgow): Is my hon. Friend aware that more than 1,000 Scottish students go to the universities of Durham, Northumbria at Newcastle and Newcastle Upon Tyne? Does he share my unease that Scottish students may not find it as easy as they did to go on the course that is deemed correct for them and, equally, the concern about English students who might be going to Scottish universities? What is the Government's attitude to the present financing arrangements?

Mr. Wicks: The logic of devolution is that the different Governments in this country and in Scotland may make different judgments about the funding of higher education and student finance. We should not grumble about that diversity. In this country, we are confident that our funding system is fair to students and their parents and fair to the taxpayer. It is fair because some 40 per cent. of students are not having to pay tuition fees in this country.

On the broader point, I am confident that there will be a proper flow of students from both England and Wales to Scotland and vice versa. That has always been a strength of the system and it will be maintained.

Training and Enterprise Councils

14. **Miss Anne McIntosh** (Vale of York): What representations he has received about the abolition of training and enterprise councils; and if he will make a statement. [119637]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Malcolm Wicks): We have been holding regular discussions with TECs and the TEC National Council since the publication of the "Learning to Succeed" White Paper in June last year. Throughout those discussions, individual TECs and the TEC National Council have been supportive of our plans to introduce a new coherent approach to post-16 learning. I welcome that support and the contribution that TEC board members and staff are making to the development of the learning and skills councils.

There are obvious anxieties in the period of transition between TECs and the new learning and skills councils. We are talking with the TECs all the way. I thank all involved in the TECs for helping during that period.

Miss McIntosh: The Minister obviously understands that it is a period of great uncertainty and instability for those working in the TECs. Will he join me in paying tribute to those in such TECs as the North Yorkshire one, which have achieved a certain degree of excellence, particularly in bringing together business expertise and placing those in schools in future employment?

Will the new organisation be so complex and so big, as indicated by Baroness Blackstone in evidence to the Select Committee on the Environment, Transport and Regional Affairs, that everyone will be placed, or will some people who are currently employed by TECs be made redundant?

Mr. Wicks: The situation regarding individual TECs is complex because TECs' responsibilities vary a great deal. Many staff will perhaps transfer from TECs to the learning and skills councils. Others, given their functions, may seek places with the Small Business Service or other agencies, including the Employment Service. We are working very closely with TECs to ensure that anxieties can be met and that we have a good future. I join the hon. Lady, as I did earlier, in paying tribute to TECs for much good work, not least the North Yorkshire TEC, which I have some knowledge of and which I visited recently.

Mr. Roger Casale (Wimbledon): Will my hon. Friend join me in welcoming the establishment of the South London learning and skills council and the new lifelong learning partnership in my borough of Merton? Does he agree that the Government's new lifelong learning initiatives will be a golden thread that binds the strands of the Department for Education and Employment and will give greater strength and coherence to the Government's approach to welfare reform, labour market reforms and economic reform?

Mr. Wicks: I do indeed agree with my hon. Friend. The great lesson is that we have to make lifelong learning a reality—not only, at the first chance, for those who are aged 16 to 19 but for everyone of whatever age, including those who are in their 50s and early 60s so that they can reskill and retrain. I look forward to the work of the South London learning and skills council, in which my hon. Friend and I have a common interest. I should add that the new Learning and Skills Council will save much money: there will be a £50 million reduction in public spending, which is money that can be used in the front line for learning. Much of that money will be used across the country, but not least in south London and in Greater London. I say that on a day when democracy returns to Greater London.

Business of the House

12.30 pm

Sir George Young (North-West Hampshire): Will the Leader of the House give the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): The business for next week will be as follows:

MONDAY 8 MAY—Remaining stages of the Regulation of Investigatory Powers Bill.

TUESDAY 9 MAY—Progress on remaining stages of the Transport Bill.

WEDNESDAY 10 MAY—Conclusion of remaining stages of the Transport Bill.

THURSDAY 11 MAY—Debate on the common agricultural policy on a Government motion. Details will be given in the *Official Report*.

FRIDAY 12 MAY—Private Members' Bills.

The provisional business for the following week will be as follows:

MONDAY 15 MAY—Second Reading of the Fur Farming (Prohibition) Bill.

The Chairman of Ways and Means is expected to name opposed private business for consideration at 7 o'clock.

TUESDAY 16 MAY—Opposition Day [10th Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

WEDNESDAY 17 MAY—Remaining stages of the Royal Parks (Trading) Bill.

The Chairman of Ways and Means is expected to name opposed private business for consideration at 7 o'clock.

THURSDAY 18 MAY—Second Reading of the Care Standards Bill *[Lords]*.

FRIDAY 19 MAY—Private Members' Bills.

Sir George Young: The House is grateful for next week's business and an indication of the business for the following week. Will the Leader of the House confirm that the Government motion for Thursday's debate will be tabled in good time?

The right hon. Lady has not announced the Northern Ireland policing Bill, which has been widely trailed and expected. May I ask what has happened to it, as it is getting rather late in the Session to introduce new Bills?

Although we are grateful that the debate on Lords reform is not being held today, when many hon. Members are reconnecting with their electorates, it is an important debate, and it is important that the House should address the key issue of the role and composition of the second Chamber. I therefore hope that it will not be too long before we can have that debate.

There is continuing concern in the House about the future of Longbridge and Dagenham, and it is some time since we had a statement from the Trade and Industry Secretary. Might we expect such a statement next week on progress in the negotiations between BMW and possible bidders?

If there are any developments on Zimbabwe, could the House be kept informed?

In today's elections, there are new methods of voting—which are always of interest to hon. Members. Could we have a debate on the implications of those experiments, in case they are extended and applied in future Westminster elections?

The Leader of the House may have received an e-mail message saying "I love you". I have to tell her that, sadly, that affectionate greeting contains a virus which has immobilised the House's internal communications system—the parliamentary data and video network. That means that no Member can receive e-mails from outside, nor indeed can we communicate with each other by e-mail. That has important implications for how we set about our duties and how we keep in touch with our constituents. I understand that, currently, our suppliers have no known cure. Is the right hon. Lady satisfied that everything possible is being done to restore the system? Does she agree that a review is needed to ensure that, in future, our system is adequately protected from such viruses?

The line of route is to be opened during the summer recess for the first time. It is therefore more important than usual for the dates of the summer recess to be known, so that proper planning can be made for that facility. Can the Leader of the House shed any light on that important event?

Mrs. Beckett: I anticipate that the terms of the Government motion for the debate on the common agricultural policy will be tabled later today, or certainly before the weekend, so that the House will have time to consider it.

The right hon. Gentleman asked about the Northern Ireland policing Bill. As he will have observed, it is not tabled for debate next week. The Government intend to table it when they are ready, and remain committed to doing so.

I am glad that the right hon. Gentleman is glad that we are not debating House of Lords reform today. Of course, I recognise that it is an important matter and that the House wishes to have a debate on the subject before too long, and will bear that in mind.

The right hon. Gentleman asked whether the House can be kept informed about events at Longbridge. He will be aware that it is Department of Trade and Industry questions next Thursday, which will provide an opportunity for that. On both that issue and events in Zimbabwe, the Government will endeavour to keep the House informed.

I note the right hon. Gentleman's request for a debate on the implications of any new methods of voting. It will take some time for such an evaluation to take place, but I will bear his request in mind. It might be a suitable topic for Westminster Hall.

I do not know whether I am sorry or pleased that, as far as I am aware, I have not received an e-mail saying "I love you". I understand the concerns that the right hon. Gentleman has identified. I believe that the House authorities have shut down the House's e-mail in order to protect our systems—which seems to be a swift, decisive and sensible approach. Although it is a little early to judge, it seems that part of the problem is arising from the sheer volume of e-mails that the original e-mail generates. I understand that it triggers a response to everybody on a system's address book, so it may be the volume as much as the content.

The right hon. Gentleman is right to say that, until this moment, no cure has been identified. The House authorities have taken action to protect our systems and I am sure that they and the Information Committee will want to review what is happening and its effect. The right hon. Gentleman asked me about the House systems—we are obviously anxious to protect those—as though it is primarily the House that is under attack. I do not know whether he is aware that the same phenomenon is being observed widely across the private sector and across government. Clearly, it is something to which attention will have to be turned and I am confident that the Information Committee, with the House authorities, will do so.

At present, I cannot give the right hon. Gentleman the dates for the summer recess, although I accept his point about the line of route. As always, we hope to avoid sitting in August.

Mr. Tam Dalyell (Linlithgow): I have not received an e-mail from the Government leadership saying "I love you".

As a qualified engineer and Leader of the House, will my right hon. Friend cast a benign eye on the problems of the greatest monument to 19th century engineering anywhere in Europe, by which I mean the Forth rail bridge? It is tentatively listed as a world heritage site. As hon. Members know, particularly the hon. Member for South Staffordshire (Sir P. Cormack), world heritage sites and potential sites have to have management plans. Will my right hon. Friend ask the Department for Culture, Media and Sport, the Department of the Environment, Transport and the Regions, the Scottish Executive and the Scotland Office to find some way between them of establishing a management plan? Unless it is done soon, that bridge will deteriorate because of the inappropriate treatment by rigblast, which might be all right for North sea oil rigs for 25 years, but is no good for structures that have lasted 100 years and which are expected to last for another century or more. As an engineer, will my right hon. Friend cast her mind over this problem and knock heads together?

Mrs. Beckett: I understand entirely my hon. Friend's great concern and I know that his view will be widely shared, not just in the engineering community but across the United Kingdom. I will draw his remarks to the attention of the relevant Departments. I believe that consideration is being given to how proposals for the bridge can be taken forward and I know that everyone will share his anxiety to ensure that the monument is protected and preserved.

Mr. Paul Tyler (North Cornwall): Is the Leader of the House as reassured as I am by the fact that the House authorities quickly realised that any message sent to a Member of Parliament saying "I love you" would obviously cause trouble? Seriously, this is an important issue. We are grateful to the House authorities for acting as promptly as they did, but I hope that there will also soon be a report to the House to tell us what can be done to protect our systems of communication, which are extremely important in any democratic legislature.

Why, in the provisional business for the week after next, has it been decided that hot dog sellers in royal parks should take precedence in prime time over the extremely important debate on the future of the House of Lords, which, as the right hon. Member for North-West Hampshire (Sir G. Young) said, has been postponed from today? Surely we cannot go on waiting for the Government to come off the fence and tell us what their proposals are. We all know that that will be the burden of the debate on the Wakeham report. Can we now have a firm promise that that important debate will take place before the Whitsun recess?

Mrs. Beckett: First, the House authorities may well have been swift to identify an e-mail addressed to any politician saying "I love you" as something that was not only likely to cause trouble, but was clearly not genuine. Their response was clearly triggered by a sound cynicism.

The hon. Gentleman will have heard previous exchanges about the Royal Parks (Trading) Bill, in particular involving the right hon. Member for Cities of London and Westminster (Mr. Brooke), so he will know that it is a minor but important measure that will not only remove an inconvenience and ensure that tourists and visitors are properly protected, but prevent the unfortunate instances of violence, gang involvement and food poisoning that have happened under the present arrangements.

The question why the Bill needs half a day to be debated should be addressed to those who tabled four pages of amendments to what was previously regarded as a completely uncontroversial piece of legislation—which is, indeed, sponsored by Conservative Members. The hope and anticipation was that it would have been enacted last year, being uncontroversial, and would now be in effect. If it does not go through soon it cannot possibly take effect this summer, so there is some urgency, although of course I take the point about the importance of Lords reform.

Mr. Dale Campbell-Savours (Workington): Has my right hon. Friend any good news for me?

Mrs. Beckett: Not yet, I fear.

Mrs. Eleanor Laing (Epping Forest): Given that, at this very moment, voters all over London are struggling with an unfamiliar electoral system for electing the mayor of London, and that today's newspapers report that the Prime Minister intends to stifle debate at his own party conference on the subject of electoral reform—no doubt because he fears the honest and straightforward views of many Labour Members—will the Leader of the House undertake to make time for a debate on the subject in the near future, in this proper debating Chamber and not in Westminster Hall, so that we can hear the true views of Labour Members?

Mrs. Beckett: I would be surprised if anyone was struggling with the voting system. I do not know whether the hon. Lady has voted yet, but I have—

Mrs. Laing: I certainly have.

Mrs. Beckett: I am pleased to hear that. Having voted, I do not think that anyone would find it a struggle.

I am not aware of any proposals to stifle debate on electoral reform at the Labour party conference. Indeed, I would be very surprised if anyone was giving massive

[Mrs. Beckett]

thought at the moment—I am certainly not—to what might be debated there. I realise that the story is in the newspapers, but I am sure that the hon. Lady knows that that does not mean that it is necessarily true.

Dr. Nick Palmer (Broxtowe): Will my right hon. Friend accept my congratulations on the fact that we are fulfilling an election pledge by bringing back the Fur Farming (Prohibition) Bill? Will she also consider a debate in the reasonably near future on the continuing problems in getting compensation payments to coal miners for white finger, with an increasing number of people dying before compensation arrives? I know that the Government are very concerned about the matter, but there are still substantial delays.

Mrs. Beckett: I am grateful to my hon. Friend for his remarks on a subject in which he has taken a great interest. He has also been active on the issue of white finger, as have many colleagues, especially on the Labour Benches. The compensation schemes for that affliction are now beginning to come into effect, but concern remains about some of the other schemes. However, I assure my hon. Friend that my right hon. Friend the Secretary of State for Trade and Industry is working with the unions and representatives of the mining industry to get those payments through as fast as possible.

Mr. William Thompson (West Tyrone): In March 1998, the Northern Ireland Affairs Committee produced an excellent report on electoral malpractice in Northern Ireland. In May last year, the Government responded by saying that they were beginning work on a plan to implement a series of changes in line with the Committee's recommendations. May we have a debate in which we can learn what is happening, because we have heard nothing on the subject since and important elections will take place next year, including local government elections and perhaps even a Westminster election?

Mrs. Beckett: The hon. Gentleman makes an important and powerful point. The Northern Ireland Office has a great deal on its plate at the moment, but I will draw his remarks to the attention of my right hon. Friend the Secretary of State for Northern Ireland, especially in relation to the elections that are due next year.

Dr. Stephen Ladyman (South Thanet): Can my right hon. Friend find time for a debate on science in the Chamber in the near future? Since becoming a Member of Parliament, I have been disappointed that many hon. Members respond to scientific advances with fear and loathing—often arising from incomprehension—rather than hope and inspiration. If we are to capitalise on advances in biotechnology and build on our incredibly successful pharmaceutical industries, we need a better understanding of the issues.

Mrs. Beckett: I share my hon. Friend's view that science is a very important subject. I fear that I cannot undertake to find time for a debate in the Chamber in the near future, but I understand that there will be a debate next week on a report by the Science and Technology Committee in Westminster Hall. I know also that my hon. Friend recently had an important debate there on some medical issues. Because of the existence of Westminster Hall, we are able to air such matters, although it is not easy to find time in the Chamber.

Mr. Desmond Swayne (New Forest, West): Is there any possibility that the Home Secretary will make another statement to tell the House the outcome of the inquiries that he announced in his statement on Tuesday? He said that several questions remained unanswered and that he was seeking answers. Will the House be given those answers? Our constituents who write to us with representations about the need for more policemen on the beat have been left with the unwelcome impression that the largest congregation of policemen brought together for an operational purpose were effectively ordered to stand by and watch while the nation's most important monuments were desecrated.

Mrs. Beckett: As the hon. Gentleman knows, the Home Secretary has a good track record of keeping the House informed and I am sure he will continue to do so.

Mr. Swayne *indicated assent.*

Mrs. Beckett: I see that the hon. Gentleman agrees. It is right and proper for hon. Members to ask questions about the nature of the decisions that were taken and why they were taken, but it is also important for the House to avoid straying into second-guessing the operational decisions that have to be made by the police. It would be especially unfortunate if any impression were created that any hon. Member was attacking the police. I am sure that the hon. Gentleman would not wish to do that.

Mr. Swayne *indicated assent.*

Mrs. Beckett: I see that the hon. Gentleman agrees again. We must be grateful to the police for the excellent job they do. Their tactical decisions are the decisions they have to make because they are at the sharp end.

Dr. Alan Whitehead (Southampton, Test): Is my right hon. Friend aware of the recent bid for the assets and workings of Associated British Ports by the Japanese investment bank Nomura? At present, it is not clear whether the bank wishes to develop the land on which the ports stand or wishes to operate the ports. In the light of that, will my right hon. Friend make time available for a debate on the future of UK ports, particularly those that are strategic to the UK economy, such as Southampton?

Mrs. Beckett: I understand my hon. Friend's concern, particularly as he is one of the hon. Members who represent the great port of Southampton. My understanding is that the bid to which he refers has not yet been successful, but I recognise his wish to air the issues that surround it. I fear that I cannot undertake to find time for such a debate in the House in the near future, but my hon. Friend, like others, might like to explore the possibility of putting a question to Ministers during Department of the Environment, Transport and the Regions questions next Tuesday, or raising the matter in Westminster Hall.

Mr. Owen Paterson (North Shropshire): I have the honour to serve on the Select Committee on Agriculture.

Today, I received a very disturbing letter from the National Sheep Association describing an abattoir in Eardisley which has a reputation second to none for quality, which gets premium prices for its products in France, and which has just lost a £6 million order for 150,000 lambs because the owners have decided to close it down. Despite the fact that, over the past two years, 16 vets have given it excellent health scores, a new vet appointed by the Meat Hygiene Service has dropped its scores, forcing it to close.

Will the Leader of the House ask the Secretary of State for Health and the Minister of Agriculture, Fisheries and Food to make a statement to the House? Not only will the closure have a devastating effect on the sheep industry on the Welsh borders, but it exposes a fundamental flaw in the way in which the Food Standards Agency has been constituted in that it cannot act as an executive agency via the Meat Hygiene Service and as the policing agency for the industry.

Mrs. Beckett: I was not aware of the issue that the hon. Gentleman raises, although he will know, as he is a regular attender at these questions, that there is great concern about the operation of abattoirs and the Meat Hygiene Service. I fear that I cannot undertake to ask my right hon. Friends to make a special statement, but I feel confident that with a little ingenuity, and some good will from the Chair, the hon. Gentleman might manage to raise the matter during the debate on the common agricultural policy next week.

Mr. David Drew (Stroud): Given that local elections are being held today, as well as Londonwide elections, would my right hon. Friend, after consultation with the Secretary of State for the Environment, Transport and the Regions, consider arranging for a debate on council tax valuation? Certainly, there has been a live debate on the rights and wrongs of second home discounts, but I am more concerned about the possible need for revaluations of the bandings because park homes, which are also known as mobile homes, are valued at well below £40,000—the level at which council tax bandings start. A week ago, I visited the Berkeley Vale site in my constituency, so I know that the matter is a source of aggravation. Is it time for a proper, informed debate.

Mrs. Beckett: I understand my hon. Friend's concern. I cannot undertake to find time for a specific debate on the matter in the near future, nor can I say offhand whether he will find a slot in oral questions to DETR next week. However, a working group is looking at the precise issue that he raised, with regard to the concerns of those who own or rent mobile homes. I shall certainly draw his remarks to the attention of the relevant Minister.

Mr. John Bercow (Buckingham): Further to the inquiry of the hon. Member for Stroud (Mr. Drew), can we please have an urgent debate on local government? Does the right hon. Lady accept that that would provide an excellent opportunity for the Secretary of State for the Environment, Transport and the Regions and the leader of the Liberal Democrats to defend the fact that their parties in control of local councils charge respectively £124 and £79 a year more than Conservative authorities for band D council tax? Would it not also provide an admirable opportunity for my hon. Friend the Member for Tunbridge Wells (Mr. Norman) to point out that precisely because Labour and Liberal Democrat authorities provide rotten services at rip off prices, people would be altogether wiser to vote Conservatives?

Mrs. Beckett: I am tempted by the hon. Gentleman's suggestion that we should have a debate on local government, especially one focusing on council tax. For perfectly understandable reasons, Conservative Members are—and have always been—obsessed with one council tax band or another, although precisely which band preoccupies them changes according to what best suits their case.

My experience is that people do not give a damn about how the tax is calculated: what they care about is the amount that they pay. For some reason the hon. Gentleman did not think to mention the fact that people living in Labour areas pay the lowest average council taxes and have had the lowest average rise in council taxes.

The hon. Member for Tunbridge Wells (Mr. Norman) may not be as grateful to the hon. Gentleman as the hon. Gentleman imagines, as the council tax in Tory-controlled Tunbridge Wells has gone up by 7.5 per cent. compared with the average increase in Labour-controlled councils of 5.9 per cent. The hon. Gentleman will understand why I am tempted to grant his request, but I fear that I just cannot find the time.

Mr. Vernon Coaker (Gedling): I congratulate my right hon. Friend on finding time for the Fur Farming (Prohibition) Bill. All of us who are interested in animal welfare will be especially pleased with her announcement today. However, will she confirm that the Government will get the Bill through the House, even though certain Conservative Members seem prepared to go to any length to stop it?

Mrs. Beckett: I know that my hon. Friend has strongly supported the Bill for a long time, and I am grateful to him for his kind remarks. I assure him that, as we said on the previous occasion when the Bill should have been put before the House, the Government remain committed to making a change that is sought by the industry as well as by the general public.

Mr. Michael Fabricant (Lichfield): Will the Leader of the House arrange an urgent debate on the current crisis arising from the mismanagement of our national foreign currency and precious metal reserves? She will know that we do not enjoy a strong pound, which has fallen from $1.68 to $1.55 over the past few months. However, we suffer from a very weak euro, which has fallen by 23 per cent. Why has Germany decided to increase the value of its reserves by buying gold, whereas Britain has decided to sell gold and buy weak, plummeting euros?

Mrs. Beckett: As the House is aware, decisions about the management of reserves are taken on the advice of the Bank of England. That advice has been followed in this case. However, I think that the hon. Gentleman's other remarks were more than a little off-message. He said that Britain does not enjoy a strong pound, but my understanding is that the Conservative party has been

[Mrs. Beckett]

talking about a sterling crisis because of the strong pound. I think that the hon. Gentleman needs to go back to his Whips and get a fresh briefing.

Shona McIsaac (Cleethorpes): May I draw my right hon. Friend's attention to a written answer from my hon. Friend the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food, dated 13 April, to a question from me about the case for compensation for distant-water trawlermen? The answer states:

The case for providing compensation for former distant-water trawlermen is being given urgent consideration and a decision is expected shortly.—[*Official Report*, 13 April 2000; Vol. 348, c. 268W.]

That gives me a glimmer of hope, but the case has been going on for more than two decades. Will my right hon. Friend do all that she can to ensure that "urgent" means urgent, that "shortly" means shortly, and that a statement is made to the House on this most important issue while there are still some men left to compensate?

Mrs. Beckett: I am grateful to my hon. Friend; I know how strongly she has campaigned on this issue. She is right to identify the matter as one that has been around for decades rather than years. I am not in a position to deal with her request, but I shall certainly draw her remarks and concerns to the attention of the relevant Ministers, who I know will be anxious to deal with them if they can.

Dr. George Turner (North-West Norfolk): My right hon. Friend will know that the nature of the reporting of, and media commentary on, the trial of my constituent Tony Martin has done much to raise the fear of crime in rural areas. Local Conservatives have been eager to attack the Government, but their comments have undermined the police. Moreover, the Leader of the Opposition has stomped around the country making unhelpful comments which, as my right hon. Friend the Prime Minister noted yesterday, he does not repeat in the House. Does not my right hon. Friend think that the Government should hold a debate on law and order, so that those issues can be discussed in the House? I hope that on this occasion she does not refer me to Westminster Hall, as I have rarely seen the Leader of the Opposition there.

Mrs. Beckett: My hon. Friend makes a fair point, both about the attitude and stance taken by the Leader of the Opposition and about the fact that the right hon. Gentleman is not likely to be visible in Westminster Hall.

I share my hon. Friend's concern. Yesterday, the exchanges between my right hon. Friend the Prime Minister and the Leader of the Opposition offered a good and classic example of the shortsightedness and folly of the Leader of the Opposition, not only in the way in which he raises such issues but in his remark that he was prepared to see a change in mandatory life sentences—a legitimate point—but only in the context of self-defence. The right hon. Gentleman apparently overlooked not only the fact that Kenneth Noye was released by a Conservative Government, but that his defence, on both occasions when he appeared before the courts, was self-defence. All of that shows that it is wise to think more carefully about such matters than the Leader of the Opposition apparently does.

Defence in the World

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

1.1 pm

The Secretary of State for Defence (Mr. Geoffrey Hoon): This, the second of our three annual themed defence debates, follows our recent debate on defence personnel issues. During that debate, hon. Members noted the widespread deployment of our armed forces personnel. We have thousands of British service and civilian personnel deployed overseas—from the Falkland Islands to Kuwait; from Kosovo to Cyprus.

During the last year—as so consistently in the past—the performance of our armed forces has been exemplary. Whether supporting the police in Northern Ireland, delivering aid to Mozambique or keeping the peace in Indonesia and in the Balkans, they have made a real difference and have been a real force for good.

I am all too conscious of the demands we make of our service personnel and of the dangers that they face as a result. In that context, I regret to have to confirm to the House that one of the unarmed United Nations military observers detained by rebel forces in Sierra Leone is a British officer. We understand that he is safe and well; his next of kin have been informed. No other British citizens have been detained. Negotiations are taking place on the political and diplomatic fronts to secure the safe release of all those detained. I am sure that the House will understand why I cannot give more details at present.

The House has rightly paid fulsome tribute to the dedication and professionalism of our service men and women, and of our civil servants who support them. I am sure that no one will object if I repeat my appreciation of the quality of our personnel and of the exemplary work they do.

Mr. Menzies Campbell (North-East Fife): I apologise for not being in the Chamber when the Secretary of State began his speech; the previous business was completed more quickly than I had anticipated.

As the right hon. Gentleman will understand, it is sometimes thought that deployments with the UN are almost an easy life. However, what he has just told the House makes it clear that they are often extremely difficult and dangerous. I associate myself with the appreciation that he has expressed on behalf of the Government, and hope that the person who has been apprehended will be released speedily.

Mr. Hoon: I am most grateful for the right hon. and learned Gentleman's observations. Events in Sierra Leone emphasise the point that such operations must be approached with maximum care—they involve the full range of skills of our armed forces. We are working at every level to secure the officer's release.

Mr. Andrew Robathan (Blaby): As the Secretary of State is aware, the history of the Sierra Leone affair is lengthy and difficult. In the light of this disaster—seven peacekeepers were killed yesterday—does he think that it might have been better to have paid more attention to what Peter Penfold and President Kabbah appeared to want to do? They wanted to employ—dare one say?—

mercenary forces to put down the rebels in the first place. The UN operation does not seem to have worked too well; it appears that the elected president at the time was keen to employ Sandline.

Mr. Hoon: As I am sure the hon. Gentleman is aware, until very recently the operation in Sierra Leone had been remarkably successful and was achieving results. Certainly, there have been difficulties recently which the international community is seeking to address. I am not sure that his suggestion would necessarily have helped to improve the situation.

Our previous debate was about how personnel are deployed and managed. This debate is about why they are so deployed, why our armed forces are spread across the globe and why they are so actively engaged in the modern world. In each and every case, there are strong and specific reasons for the deployment of British forces. Indeed, it is a measure of the quality of our forces that they are able to operate as successfully as they do in circumstances where the political environment is often fluid and complicated.

However, the underlying reasons for the deployment of our forces are usually quite straightforward. As a member of the United Nations Security Council, as a leading member of NATO, the European Union and the Commonwealth and as a comparatively wealthy nation that depends on free trade, Britain has clear responsibilities for, and interests in, peace and stability. The practical imperative is clear: our prosperity depends on trade and on peace and stability, so preserving a peaceful, stable world is clearly in our immediate interests. The United Kingdom is fortunate that it does not at present face a military threat. Home defence is not an issue in the same way that it was for much of the last century. It would take some considerable time for a direct conventional military threat to the United Kingdom, or to western Europe as a whole, to re-emerge. I am pleased to be able to say that we see no sign of such a re-emergence, although we must retain the ability to reorganise our forces should that change. For the moment, Britain is fortunate to occupy a peaceful corner of an otherwise troubled world.

Mr. John Wilkinson (Ruislip-Northwood): Although the immediate environment around the United Kingdom may appear to be peaceful, things can change rapidly. In an era of expeditionary warfare, our armed forces need to be properly equipped and, above all, to have air superiority to be able to conduct any operations. In that regard, is it not imperative that the Eurofighter Typhoon aircraft be equipped with a gun as a standard fitting and that the gun is not simply bolted on as and when the circumstance requires?

Mr. Hoon: It is important that our forces are equipped to face the types of battles that they will face in the future. I suspect that the hon. Gentleman has relied on rather antiquated newspaper reports about the benefits of cannon in second world war dogfights. It is highly unlikely that aeroplanes as sophisticated as the Typhoon would be engaged in such contacts. Indeed, if they are engaged in a direct conflict with another aircraft, they will be equipped with very sophisticated missiles that will be the effective means by which they are successful.

Mr. Wilkinson: Will the Secretary of State bear in mind that all modern air operations—from Vietnam to those in the middle east, particularly involving the Israeli air force—have demonstrated that the secondary armament of cannon is most important and that a residual dogfighting capability is necessary? Can he therefore quash rumours in the press that the Eurofighter Typhoon aircraft will be equipped only with air-to-air missiles? If he does not, there will be grave disquiet in informed circles.

Mr. Hoon: I have suggested that we assess the armaments that are required on a sophisticated aircraft according to the nature of the threat that it will face. In the modern world, to defeat an attack by an aircraft on equipment such as the Typhoon, the appropriate armament is a sophisticated air-to-air missile.

Mr. Menzies Campbell *rose—*

Mr. Iain Duncan Smith (Chingford and Woodford Green) *rose—*

Mr. Hoon: Notwithstanding the obvious impatience of Members, I cannot answer the precise question as to which missile will be made available to the Typhoon. However, I assure the House that there will be one.

Mr. Duncan Smith: I had not planned to intervene at this stage. However, as we are discussing this subject, it is perhaps a good point at which to clear the air. Whatever the rights or wrongs of the reports, will the Secretary of State undertake to reconsider the issue? As I understand it, the even more advanced F22 is designed with a cannon, which every air force that I am aware of considers to be a necessary part of its inventory. Unless the Royal Air Force is aware of a secret change to the threat, will the right hon. Gentleman reconsider the matter so that the issue does not rebound over the next few weeks in different reports in different newspapers?

Mr. Hoon: It would not rebound in different reports in different newspapers if there were sensible observation and comment on it. We keep these matters under constant review. We always ensure that our equipment is the best and that it is designed to deal with the sorts of threat that our armed forces face. We shall carefully examine the appropriate requirement.

Mr. Menzies Campbell: The Secretary of State is being generous in giving way. As he is talking about damaging and debilitating comment, can he dissociate himself from comments that are apparently attributed to the Chief Secretary to the Treasury, who appears to be approaching the issue of the choice of missile entirely from the point of view of economics, and not from that of capability?

Mr. Hoon: One of the things that I have learned in government is that I do not believe everything that I read in *The Guardian*. I would encourage the right hon. and learned Gentleman to follow my habit.

Mr. Ian Davidson (Glasgow, Pollok): May I pursue the point about damaging press comment? Is my right hon. Friend aware of the damage that has been caused in Scotland by the unfortunate comment from the Ministry of Defence that no British shipbuilding yard is capable of

[Mr. Ian Davidson]

building roll on/roll off ferries? That comment was not helpful and was presumably designed deliberately to undermine the United Kingdom offerings. Will my right hon. Friend make a clear statement that he believes that Govan Shipbuilders Ltd. on the Clyde is capable of building those ships?

Mr. Hoon: I am delighted to assure my hon. Friend that that is the position that the Ministry of Defence has adopted. There is no doubt about the capability of shipyards throughout the country to construct roll on/roll off ferries and to engage in the sophisticated programme of building about 30 warships that we are planning in future years. I shall be looking to British shipyards to supply ships to fulfil that exciting forward programme. I am confident that shipyards throughout the United Kingdom will benefit from the programme.

As I was saying, we benefit from stable democracy, good government and strong economic development. It is in our interest to see that stability established more widely. We also have a wider responsibility to those in less fortunate circumstances to help secure peace, stability and democracy, and to ensure, wherever we are able, the furtherance of basic human rights. There are many ways of doing that other than by resorting to military force. Diplomacy, aid and advice are crucial. Military action may ultimately be required. However, the military has an important role to play long before we reach the point where armed force becomes necessary.

A great deal of effort is put into what my predecessor termed "defence diplomacy". That is using our defence assets to build and promote stability and democracy by providing training, education and advice. That is an excellent example of the Government's approach. We are using our defence resources actively and with imagination to make long-term investments in peace and stability. We have provided additional funding to reflect the importance that we attach to these tasks. However, defence diplomacy can work effectively only in the process of joined-up government. The Ministry of Defence continues to work closely with the Foreign and Commonwealth Office and the Department for International Development to this end.

Success in this area is often unspectacular—successful diplomacy is often the story of the dog that did not bark. The measure of our success will largely be conflicts that did not happen and trouble that did not occur. However, we should not forget the positive aspects of defence diplomacy: increasing respect for democracy, human rights and the rule of law. Sometimes, unfortunately, diplomacy fails. Our commitment to the maintenance of civilised conduct in world affairs is put to the sternest test—our willingness and readiness to use military force.

No one should doubt the Government's determination to do what is necessary in times of crisis. This year, we plan to spend about £22.8 billion on defence. By any measure, that is a significant sum. We are spending every pound for a good reason. We are determined that Britain should have world-class armed forces with a mix of capabilities that allow us to be engaged and active on the world stage. These are armed forces that are capable of deploying and sustaining themselves over long distances and capable, should the need arise, of war fighting at the most demanding level.

Mr. Quentin Davies (Grantham and Stamford): The Secretary of State says that he plans to spend £22.8 billion on defence. However, that budget will not cover his existing commitments, so he has had to cancel exercises and the cannon on the Typhoon. He has had to hold up procurement programmes and leave the Army without crucial spares, but it is still more than 8,000 service men and women below strength. Would he not be in more serious financial straits if he had those 8,000-plus troops?

Mr. Hoon: I shall deal with some of those points in due course. However, let me make clear to the House and the hon. Gentleman that we have no difficulty in fulfilling our commitments in a challenging programme. Previous Governments have always faced the fact that judgments about commitments have to be made, consistent with the amount of money that a country can afford at any given point in its history. That is always the case and, in the unlikely event of the hon. Gentleman occupying my position, he will have to face up to that with rather more sophistication than simply talking about needing more money or cutting commitments. Perhaps Opposition Members will explain what commitments they would cut, if that is how they would resolve the problem.

I shall shortly talk about our commitment to ensuring that Britain's forces are a force for good around the world.

Mr. Robathan: The right hon. Gentleman has mentioned defence commitments that we have trouble in fulfilling, and defence diplomacy. Given the situation in Zimbabwe, does he not think that having British soldiers run training schemes there probably sends the wrong message to the Government and people of Zimbabwe?

Mr. Hoon: It does not. British forces are present in Zimbabwe as part of a training force for southern Africa. Their responsibilities extend beyond Zimbabwe, where they have conducted sophisticated training that has benefited the Zimbabwean armed forces. If the hon. Gentleman has followed the situation in Zimbabwe carefully, he will know that the armed forces have continued to make a stable and mature contribution to Zimbabwean society, which may well have something to do with the training that they have received from British forces. There is therefore good news from Zimbabwe, and it is important to put that in the right context.

Ms Rachel Squire (Dunfermline, West): Given the points that my right hon. Friend has just made, will he join me in welcoming the establishment of a defence diplomacy scholarship scheme at Shrivenham, which seeks directly to influence the conduct of civilian and military personnel worldwide in peacekeeping and other operations?

Mr. Hoon: I thank my hon. Friend for that point. That is precisely the kind of example of defence diplomacy that I was describing. From their time in office, Opposition Members will know that young men or women who come to the United Kingdom on such scholarships tend to give their country of origin the benefit of experience that they have gained here, and do so throughout their service

career and sometimes beyond, into government. There are several examples of people who have taken advantage of such scholarships and ended up in prominent positions in their own countries. Those scholarships therefore have long-term benefits. I accept that it is sometimes difficult to define the tangible benefits of such schemes but, in the long term, they bring enormous advantages to the United Kingdom.

The Government are committed to the modernisation of our forces and to ensuring that they are structured and equipped to perform the most demanding tasks. In addition to the strategic defence review restructuring, we have embarked on a substantial programme of re-equipment and modernisation, representing a huge investment in our forces. Every year, we spend some £10 billion on equipment, yet some people still accuse us of looking for defence on the cheap. Let me make it clear that that is nonsense. Certainly, we want to be efficient and make every pound spent on defence count. However, we do not and will not compromise on the equipment with which we provide our forces. It is world-beating and will remain so.

As evidence of that, we are in the process of fitting all our attack submarines with the tactical land attack cruise missile, the TLAM, which was used to great effect during the Kosovo campaign. It is the envy of almost every other navy in the world; currently, only the Americans have it. We will have an enhanced stand-off precision-strike capability in Storm Shadow, an air-launched cruise missile. Only a few weeks ago, I attended the roll-out of the first Apache attack helicopter for the Army. We recently signed a contract worth about £60 million to provide more than 100 new all-terrain vehicles for 3 Commando Brigade.

We are undertaking major programmes to modernise existing equipment. Both the air defence and the ground attack variants of the Tornado are being improved. In the longer term, we have a collection of major programmes, such as Eurofighter, the future offensive air system, the future carrier-borne aircraft, two new aircraft carriers, the Astute class of nuclear-powered attack submarine, the type 45 destroyer, the future strategic tanker aircraft and the airborne stand-off radar. Those will all result in significant enhancements to the capabilities and utility of our forces.

Nevertheless, looking ahead must not distract us from the capability of our forces today. They operate with world-class equipment. For example, the Army has recently deployed to Kosovo with the Challenger 2 tank, which represents a quantum leap in standards of performance and reliability. At the other extreme, the clothing of our deployed soldiers is better than it has ever been. That is not just my view: it is the view of men and women in our armed forces with whom I have spoken.

Mr. Tam Dalyell (Linlithgow): On the Challenger 2, may I say first that I did my national service with the regiment that now operates the tank, and I have been told that it is extremely effective? That is good news.

My right hon. Friend is a careful and scholarly lawyer, so he might not care to comment on an issue arising in connection with Kosovo, but I should like to draw his attention to the article in *The Sunday Times* of 16 April, which appeared under the byline of Lois Rogers, "Ailing troops sue over Balkan war syndrome". At some point in the debate, may we have an answer stating what action the Ministry of Defence is taking? I understand that soldiers who served in former Yugoslavia plan to sue the Ministry after suffering chronic health problems, which they believe are caused by Balkan war syndrome. The case involves 12 people, 11 of whom are serving service men.

Mr. Hoon: I am grateful to my hon. Friend for his comments about the Challenger tank, and I look forward to discussing with him the details of his national service, because I can, no doubt, learn a lot from him in that respect.

On the issue of the newspaper accounts that appeared on or around 16 April, I have to say that I have read only those accounts, nothing more. My Department will consider carefully the legal submissions made to us, and we shall respond with a course of legal action, should we judge that to be necessary. I am sure my hon. Friend understands why I do not wish to comment further at this time.

Mr. Dalyell: Of course. Thank you very much.

Mr. Hoon: All Governments experience problems with the range of equipment used in the course of fulfilling their defence responsibilities. We have acknowledged those problems and, where we can, are taking decisive early action to solve them. For example, the difficulties of the SA80 rifle have been well documented, but we are taking action to address them.

However, the problems need to be kept in perspective. Let us take as an example the recent media stories about the Lynx rotorhead. Yes, there is a safety problem and, yes, it affected the availability of the aircraft—but it has not stopped us meeting key operational tasks. For example, only last week, HMS Manchester's Lynx operating in the Caribbean helped local police to locate drugs on Montserrat. The aircraft are still flying and still fulfilling their operational responsibilities.

Too often overlooked is the fact that, day in, day out, our forces are properly equipped to do the job they are required to do. The Government would never settle for anything less. We are, naturally, aware of the costs: building and sustaining world-class armed forces is an expensive business that requires sustained and significant investment over the long term. That is what the Government are engaged in. Defence is not an activity in which we can afford to cut corners.

As was so eloquently described by right hon. and hon. Members during last month's debate, there is a human cost as well. Being engaged, as we are, on the world stage asks a great deal of our armed forces and of their families. We have faced problems with overstretch. Last July, some 47 per cent. of the trained Army was preparing for, on, or recovering from operations. Such a level of commitment takes its toll on the personal lives of the armed forces and of their families. We were determined to do something about overstretch, and as a result the figure is now about 27 per cent.—lower than that which we inherited in 1997.

We have achieved this reduction in overstretch by reducing commitments where we sensibly can, and by thinking imaginatively about how we manage the commitments that remain. As my hon. Friend the Minister for the Armed Forces told the House last month, we have

[Mr. Hoon]

awarded a £20 million contract for the installation of a new telecommunications network, which will free 260 Royal Signallers from their Balkans commitment by the end of this year.

There is more we can do—and are doing—to reduce or ameliorate the pressures on our personnel and their families. For example, for the first time in 50 years, we are planning to increase the size of the Army by more than 3,000 posts, but we will not opt out of playing our part internationally. Our resolution has been demonstrated during the past 12 months when we have deployed, often at very short notice, to places such as East Timor and Mozambique.

In East Timor last September, we contributed almost 300 personnel to the United Nations-backed international force, deployed in response to growing concerns about the humanitarian situation there. In Mozambique, RAF Puma helicopters and Royal Navy Sea King helicopters operating from the Royal Fleet Auxiliary Fort George delivered almost 1,000 tonnes of humanitarian supplies after devastating flooding in that country. At the same time, we have maintained a significant presence in the Balkans.

It is hardly surprising that events in the Balkans have been prominent. This time last year, we were engaged with our NATO allies in a remarkable contest of will with Milosevic. It was a resounding success. Our convictions were shared by our NATO allies and by many other countries. What we did was necessary and it was right. To have successfully returned hundreds of thousands of refugees to their homes and to be rebuilding the society in which they live is a magnificent achievement, and one of which we can justly be proud. This is what our defence and security policy means in practice: making the world a better and a safer place.

The situation in the Balkans is by no means resolved, but we should not underestimate the real success of the international community in changing things for the better. Dealing with such deep-seated problems as exist in the region will never be easy, but we are now seeing significant progress.

Mr. Dalyell: There is the problem of 280,000 Serbs who are now refugees from Kosovo. That is the figure given by the UN agencies; the Serbian Government figure is 350,000. It is a human tragedy.

Mr. Hoon: I agree with my hon. Friend to this extent: the primary purpose of our activity in Kosovo was to preserve the possibility of a multi-ethnic society. We are determined to create such a society in Kosovo, in which it is safe equally for Serbs, Roma, Albanians and other ethnic groups in the province.

The changes in Croatia are a good illustration of what can be achieved by the combination of democratic forces within a state, and a co-ordinated approach from the international community. Croatia's election results were a clear example of the rejection of ethnically based policies by the Croatian people. In Bosnia, the recent municipal elections were notable not just for the lack of violence, but for the continuing decline of extremist ethnically based parties. Progress there is not as rapid as in Croatia, but it is encouraging none the less.

In Bosnia our troops are continuing to do a vital job in fostering the conditions for democracy and the return of refugees to their homes. There is no doubt that that is a success story. Those who predict failure for our efforts in Kosovo should take note.

The 6,000 or so personnel whom we have committed to the Balkans region as a whole are a tangible measure of the depth and seriousness of that commitment. Our personnel are making real improvements to the everyday lives of people in the region and to the prospects for long-term peace, stability, democracy and economic revival. We should not, nor will we, walk away from those commitments.

The recent history of the Balkans could be characterised as the aftershocks of events that happened more than a decade ago. They are a painful reminder that the post-cold war world moves on, and moves on apace. Our defence policies must respond to those changes.

We have entered a period of uncertainty, rapid change and increasingly diverse challenges. The world is increasingly multi-polar, with new and shifting centres of power and alliance. Where, in the past, internal divisions or dissent have been suppressed by autocratic rule, violent disorder can flare when central control weakens, as happened in the Congo, yet we can hope that in some cases such instability represents a period of transition to new, more liberal and more stable regimes.

However, there remain many fundamental underlying causes of conflict in the world. Exclusion—political or economic—has been at the root of many recent internal conflicts, as in Algeria and the great lakes region of Africa. Ineffective or corrupt government increases the risks of instability. When combined with various demographic and environmental trends those factors are likely to generate increasing instability and strife in many regions. Almost by definition they are likely to be regions that are least able to help themselves. In such circumstances it would be sensible to expect increasing calls on international bodies to manage crises and prevent human suffering.

Our direct national interests will not often be at stake in such crises—there will be no immediate practical imperative to become involved—but we must face the fact that, in an increasingly interdependent world, ultimately our political, humanitarian or financial interests can be affected. Coupled with the political and moral expectations of western electorates, we will see continued, if not increasing, involvement in coalition peace support operations. Today, both our freedom to act and the expectations and pressures on us to do so, quickly and decisively, are greater than ever.

We shall be acting in an environment where we will face novel and unexpected operational challenges; a world where the threats that we may face cannot always be measured in conventional terms.

Dr. Norman A. Godman (Greenock and Inverclyde): May I remind my right hon. Friend that, much closer to home, many thousands of troops are still stationed in Northern Ireland, which is entirely understandable given the serious security threats posed by Continuity IRA and Real IRA, as well as loyalist paramilitaries? My right hon. Friend is actively engaged with the Secretary of State for Northern Ireland in looking at reducing numbers where it is at all possible. May I suggest to my right hon. Friend,

as I have done to the Secretary of State for Northern Ireland, that the military lookout tower in the square at Crossmaglen, known locally as a crow's nest, should come down? It serves no useful purpose, other than helping with the recruitment to those dissident IRA groups.

Mr. Hoon: We look carefully at our commitments in Northern Ireland. We were able to make some reductions last year, but any decision about any kind of installation in Northern Ireland is entirely dependent on the security situation on the ground. On that, we receive advice from the Chief Constable and from the General Officer Commanding in Northern Ireland, and, where we can, we act upon it. The Government are determined to pursue a peaceful settlement in Northern Ireland because it will allow us to reduce our military commitment there, which will allow a normalisation of the situation in that part of the world.

One area that we are watching with great care is the development and proliferation of so-called weapons of mass destruction, and their means of delivery. Some states will continue to seek to acquire these weapons—in the face of international condemnation—to try to threaten and coerce their neighbours and the international community as a whole. The relative cheapness and simplicity of biological and chemical weapons can make them a tempting proposition and result in regional arms races.

Those are threats that all NATO allies—indeed all responsible states—must address. NATO has collectively taken up the challenge with its weapons of mass destruction initiative, launched in Washington last year. Last year, also, we published a paper that set out how the UK addresses the threat from biological and chemical weapons.

What we said in that paper remains true. The Government will go on working to strengthen the clear international consensus that possession of biological and chemical weapons is wrong. We strongly support measures to prevent their proliferation. We are committed to improving the effectiveness of the relevant conventions and export control regimes. We wish to see the completion of negotiations to strengthen the biological and toxin weapons convention before the review conference in 2001.

For as long as those weapons remain a threat we must be prepared to defend against them. We, and NATO as a whole, are committed to ensuring that our deployed forces are appropriately equipped, trained and organised to overcome the challenges that they might face. Those measures contribute to our efforts to deter potential proliferators, by persuading them that they will not gain advantage by acquiring or threatening to use weapons that the international community has renounced.

We understand the United States concern about the threat posed by ballistic missile proliferation, and we have been in close contact about the role that it envisages for national missile defence in its response to the threat.

The US recognises that NMD poses difficult and complex issues. Several key factors need to be addressed before it decides whether to proceed with deployment. They include the views of NATO allies, and the need to preserve strategic stability and the viability of international treaties. We welcome the fact that the US is taking those factors into account.

The question of any amendment to the anti-ballistic missile treaty to accommodate NMD is strictly a matter for the US and Russia, as parties to the treaty. However, we have made it clear to them that we continue to value the strategic stability that the treaty provides. We want to see it preserved. We welcome the intensive discussions that are now in progress between the parties. We believe that they can ultimately reach a successful conclusion. The United Kingdom wants international debate on the issue to be conducted in a calm, considered manner, whereby concerns can be properly aired and addressed.

Much has been written lately about possible sites in the UK as part of the proposed NMD system. Let us be clear: the US is considering only a limited system and it has not yet finally decided to proceed even with that. We are in close touch with the US on all aspects of its proposals. However, reports that we have agreed to host elements of the system are wrong. We have not decided because we have not been asked. If we receive a request, we will of course consider it very carefully.

I would like to make clear our position on ballistic missile defence. Our national programme of work, and feasibility studies shortly to be started in NATO, will enable us to continue to make informed judgments on whether to invest in such capabilities in future.

It is important to remember that there are four elements to our response against proliferation: arms control, preventing supply, deterring use and defending against use. In the immediate focus on NMD, we must not lose sight of the importance to all responsible states of continuing to pursue with vigour a comprehensive response to the threat posed by the proliferation of nuclear, biological and chemical weapons and their means of delivery.

That proliferation is a further example of the widespread changes in the strategic scene in recent years. The need to adapt to this changing world was at the centre of our strategic defence review. We identified a need to create more flexible, more capable and more deployable forces. That is exactly what we are doing.

Progress in implementing the review's conclusions has been excellent. We have already implemented many of the key decisions. They include establishing a pool of joint rapid reaction forces, forming the Joint Helicopter Command and Joint Force Harrier and establishing 16 Air Assault Brigade. Those are exactly the sort of capable, flexible, deployable forces that we have identified as vital to the future of defence.

Mr. Duncan Smith: Two points arise from the Secretary of State's comments on ballistic missile defence. First, will he confirm whether there is a shift in Government policy from that which his predecessor espoused? His comments imply that.

Secondly, the Secretary of State mentioned the four elements of reaction to proliferation. In the past two or three months, evidence has suggested that, despite sanctions, Iraq is close to being capable of producing a missile and a weapon of mass destruction. Does not that make it much more important—if not urgent—for the Government to make their position on ballistic missile defence clear? Otherwise Iraq will not feel deterred from going ahead.

Mr. Hoon: I expressed the Government's anxieties about proliferation and acknowledged that the US is right

[Mr. Hoon]

to want to defend itself in the way that it proposes. However, it has not yet made a decision. There has been no shift in the Government's position. An evolution of thinking in response to the issues is inevitable. It is taking place in the US as well as in the United Kingdom and among NATO allies. It is important to conduct a calm and measured debate. We welcome the fact that, since last year, the US has involved NATO allies in evolving the thinking on difficult and potentially dangerous matters. I listened carefully to the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) and assure him that the Government will respond appropriately when and if the US decides to deploy national missile defence.

Mr. Wilkinson: The Secretary of State is making some significant statements. If the United States were to procure a system to deploy a national ballistic missile defence, would not it be remiss of the United Kingdom not to participate jointly in such a system because it would be a cost-effective option that would have operational as well as economic benefits?

Mr. Hoon: The hon. Gentleman, understandably, invites me to travel much further down the road than it is necessary to go now. As I have said, we are in close contact with the United States. As its thinking evolves and as ours matures and develops, we shall perhaps have to address such matters, but we do not have to do so today. Unless and until the US decides to deploy even a limited national missile defence, there would be no great value in considering those issues, although I am sure that appropriate think tanks will welcome his thoughts on the subject.

We in the United Kingdom have taken great strides to ensure that the support provided to those forces will be the best we can provide. The new Defence Logistics Organisation will ensure that. Smart procurement is already showing how it can achieve significant reductions in the costs and time involved in bringing equipment into service, such as £200 million off the lifetime cost of the Challenger 2 tank and up to five years knocked off the time between main approval and the in-service date for the future offensive air system, which will provide a day and night long-range offensive air capability to replace that currently provided by the Tornado GR4.

We are leading the way among NATO and European nations in rebuilding and restructuring our forces for the operations that we expect to face in future. We cannot afford to be alone in that restructuring. Future operations are almost certain to be conducted in coalition with our allies and partners. Such operations will not succeed if they have not also restructured their forces. It is right that Europe should occupy a significant place on the international stage that reflects the continent's political and economic weight. However, a place at the top table brings obligations and responsibilities. In terms of its military capability, Europe is simply not up to the job in certain key areas.

The debate on European security and defence was launched by my right hon. Friend the Prime Minister about 18 months ago. The Kosovo crisis threw into sharp relief the gaps in European capability and gave added impetus to NATO's defence capabilities initiative. It is only right that Britain should have taken a leading part in developing that work. The European defence initiative will ensure that, collectively, Europe's armed forces are capable of meeting their responsibilities. From the start, we have focused on the practicalities of improving Europe's military capability so that we can better contribute to NATO and are able to take effective action when NATO as a whole is not engaged.

Mr. Nicholas Soames (Mid-Sussex): I apologise for not being present for the beginning of the right hon. Gentleman's speech. Will he tell us what practical steps he is taking to encourage those capabilities, given that European defence spending is decreasing? How can the Germans increase their capability, which needs to be dramatically increased, if they are cutting their defence budget?

Mr. Hoon: I am pleased that the hon. Gentleman is here. I was concerned that he would miss not only the beginning of my speech, but most of it.

Mr. John Bercow (Buckingham): My hon. Friend was having lunch.

Mr. Hoon: That is a wholly plausible excuse.

The specific answer is that we have concentrated on the capabilities because too many European nations are still organised to face the threat from the Soviet Union—a threat that fortunately no longer exists. We are emphasising the need to reorganise those forces along expeditionary lines, as we have advocated in the strategic defence review, so that they can rapidly enter the field. That is precisely why, at the Helsinki European Council last December, all EU leaders committed themselves to meet a challenging target for collective capability. That headline goal requires EU member states to be able, by 2003, to deploy rapidly and sustain up to 60,000 troops, capable of undertaking the most demanding crisis management tasks.

Meeting that goal means improving Europe's armed forces so that we are better able to assemble, deploy and sustain the right mix of forces for specific NATO or EU-led operations. That is about real world capability; it is not institutional tinkering and certainly not a matter of creating a European army. We in the United Kingdom will continue to give a lead.

Mr. Robathan: I thank the Secretary of State for giving way: he has been particularly generous in doing so.

I have here a quotation from Mr. Prodi, President of the European Commission. In February, following the Helsinki summit, he told *The Independent*:

> When I was talking about the European Army I was not joking. If you don't want to call it a European Army, don't call it a European Army.

Mr. Prodi said that he was not joking. He means a European army.

Mr. Hoon: I am sure the hon. Gentleman knows enough about the institutional structure of the European Union to be aware that Mr. Prodi—I assume that it is the same Mr. Prodi—is a European Commissioner, and, as such, will have no responsibility for the arrangements that we propose. Those arrangements will be dealt with in an intergovernmental context. Like any other European

citizen, Mr. Prodi is entitled to his point of view, but it will not reflect the decisions that European Governments are making.

We want the European Union to draw on detailed technical support from NATO, while retaining political control of the process. That will avoid the establishment of wasteful duplicate planning systems.

Mr. Quentin Davies: Can we return to the question of whether there is any chance that the Helsinki commitments will be met? Is the right hon. Gentleman using every opportunity to try to persuade his European Union colleagues to increase their defence budgets, or is he not?

Mr. Hoon: As I have said, getting a force of between 50,000 and 60,000 into the field quickly is not strictly about the size of the budget; it is about reorganising existing spending. It ought to be possible for the United Kingdom to deliver a force of that size to a theatre pretty quickly, but other countries ought to have the same capability. The aim of the headline goal is to make them concentrate on that, and they all agreed to it. Our immediate task is to expand the headline goal into a detailed list of the required forces and capabilities. That will provide a sound baseline, enabling us to identify national contributions and to highlight overall shortfalls later this year. The work is going ahead, in a detailed and practical way.

Work to implement the headline goal can only help the implementation of NATO's defence capabilities initiative. It will strengthen Europe and, in so doing, will strengthen NATO. As European nations are better able to bear their share of the alliance burden, our relationship with the United States will be strengthened.

Last year, we celebrated the 50th anniversary of the Atlantic alliance. Around that time, many predicted that the celebration would become a funeral wake, and that the alliance would break apart under the pressures of the Kosovo crisis. They were wrong: the alliance emerged strengthened, having demonstrated a remarkable ability to pursue a common purpose in difficult circumstances.

NATO, however, is not the organisation that it was 50, 20 or even 10 years ago. "Adapt or die" may be an over-dramatic cliché, but there is a truth in it. With its new command structure, its force structure review, the defence capabilities initiative and a series of other changes, NATO has adapted effectively. Meanwhile, we in the United Kingdom are adapting to face the challenges of the new century. Practical experience over the past 12 months has shown that, like the alliance of which we are a part, we have made a sound and effective start. There is still some distance to go, but I believe that we have the right plans for making the changes we must make. I also believe that we are doing all that we reasonably can to ensure that we, and Europe, will be able to respond to the challenges that we can be sure will face us in future years.

1.49 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green): I join the Secretary of State in paying fulsome tribute to the members of our armed forces—regulars, territorials and the reserves—who play such a significant part in the capability, and the delivery of that capability, of which we are all justly proud. I also agree with what the Secretary of State said about the unarmed service man who has been taken hostage in Sierra Leone. That is a timely reminder—as if we needed it—that members of our armed services are serving all over the world, and, in many areas, are serving in dangerous environments. I pay tribute to them. I hope that the service man will be released very soon and that his family will accept our hopes on their behalf.

As we take part in this critical debate, and with the debate raging about Zimbabwe, I am reminded of my time in our armed forces in Zimbabwe a number of years ago, when we took what was then Rhodesia through to independence as Zimbabwe. I watched then the way in which members of our armed forces behaved. It was an eye-opener, even though I was serving at the time.

For example, I watched, right out in the bush, penny packets of six or seven men, ordinary privates, with corporals or perhaps even sergeants, bringing in thousands of war-tested guerrillas, who had hated and were killing whites—regardless of their political opinions at that stage—with tensions running high. Individual members took decisions to lay down their rifles—their only protection, or so it may have appeared—to go out and to shake the hands of those people as they came in, which restored their confidence in our forces and in the forces generally. They were not following an edict or command from generals, colonels or commanding officers. Those ordinary soldiers took that initiative. I know of no other armed force in the world that can rely to such a degree on the initiative and capability of its members. I pay fulsome tribute as a result.

That brings one matter into sharp relief, and I must touch on it, although I do not intend to spend a lot of time on it. Why are we having the debate today? It is such an important debate. The Secretary of State is right to say that we owe so much to our armed forces; we do. Why, then, are we having the debate on a day when the country is clearly and rightly obsessed with what is happening in local areas and when hon. Members have priorities elsewhere? Many have said to me that they are upset about not being able to attend the debate. The Select Committee on Defence has, I understand, even supported an early-day motion to that effect.

I make simply the following point—I do not intend to debate the matter: will the Secretary of State please bring that to the attention of his colleagues in the usual channels and say to them, "Next time, defence deserves a better slot"? We do not get too many opportunities. For his sake, as much as for ours, the House deserves to have such a debate at a proper time.

The Secretary of State was right to talk about defence in the world in the light of the strategic defence review, because so much of what we do or do not do stems from what happened in that review. The Government were keen to stress that the review would be foreign policy-led. I was sorry to see the Minister of State, Foreign and Commonwealth Office, the hon. Member for Neath (Mr. Hain), leave just now. I wanted to raise some questions with him, but no doubt we will be able to pursue those matters at a later date. It appears that during the review—I accept that the Secretary of State was not in his current post at the time—there was an absence of any foreign policy discussion and analysis; at least none was published or made available.

[Mr. Iain Duncan Smith]

In its report on the SDR, the Defence Committee complained:

> the government's manifesto promised a "strategic defence and security review" . . . we are still awaiting the strategic security review. In a sense we have received a two-dimensional review of a three-dimensional world.

The Committee's criticism was well founded because that foreign policy analysis is critical for us to understand not what we will always be doing in future, but what it is likely that we will be called upon to do.

For example, less than a year after the end of the review, the crises in Kosovo, in East Timor and in other areas, but particularly in those two, had erupted. They were not necessarily predicted. It is important to know what foreign policy input there was during the review on such dangers and difficulties. It is the commitments that flowed from the review which have created so many overstretch problems for our armed forces. The Secretary of State spoke about that. The failure to conduct such a wide-ranging foreign policy review has caused a huge problem for the armed forces.

Nevertheless, parts of the strategic defence review are welcome. Since becoming Opposition defence spokesman, I have made it clear that in the previous Parliament I was one of those who thought that, rather than simply considering our defence objectives in a piecemeal manner, we should have a foreign policy-led review. I make no bones about my position on the issue of such a review, on which there was disagreement on both sides of the House. It was right to have a review, and some of its aspects are welcome.

I particularly welcome the review's treatment of matters such as a joint command. It was absolutely right to deal with such matters, many of which were based on plans developed by the previous Government. It is right that such plans have been brought to fruition. It was also right to develop the concept of power projection, which entails having the capability to go to the parts of the world that pose threats to our interests or to those of our allies. The Opposition welcome without reservation such a capability.

Nevertheless, the SDR also contained some fundamental flaws. In the past two years, it is the review's flaws that have become most apparent. The review, despite its seemingly good intentions, was Treasury driven and, therefore, became a cost-cutting exercise. The Ministry of Defence had to dress it up as a strategic exercise, rather than admitting that it was a process of saving yet more money.

As I said, the result has been to create a problem of overstretch and a crisis of retention. In recent debates, the Opposition have outlined the very damaging consequences to our armed forces caused by the savage cuts made to the defence Budget since 1997.

I should like to focus on two elements of the strategic defence review: omissions and mistakes in strategic planning, and the issue of whether our equipment and personnel capabilities are sufficient to fulfil our real overall requirements.

Mr. Davidson: In his exposition, will the hon. Gentleman make it clear whether he is committing the Opposition to spending more on defence or—to reduce overstretch—to reducing commitments? Will he give us a clear and unequivocal reply on both those points?

Mr. Duncan Smith: I have always been absolutely clear on those points. Our position is that unless it is possible to reduce our commitments to a sustainable level, we shall of course have to increase capability.

If the hon. Gentleman wants me to go even further than that, I would simply remind him that the Government have been in power for three years, and tell him—unless he is about to tell me that there will be a general election in the next few months—that I cannot judge yet whether the Government have succeeded or failed in achieving their objective of reducing commitments. I also cannot determine yet how their failure to achieve that objective might impinge on costs. He should, however, mark my words: in the next few months, and before the next general election, the Opposition will produce a series of proposals dealing in detail with the points that he has raised.

The key issue is whether the Government have given up on the idea of reducing commitments to a level commensurate with capability, or believe that they can maintain both current commitments and current capability. I shall demonstrate that they cannot do the latter.

Ms Squire: I thank my hon. Friend for giving way—*[Interruption.]* I apologise; I thank the hon. Gentleman for giving way. I always manage to get that wrong.

Does the hon. Gentleman agree that, from the mid-1980s onwards, the previous Government cut defence expenditure by one third? Does he also agree that there was a one-third cut in Army personnel, and that that was one of the major factors in the armed forces personnel shortage that the present Government inherited and have committed themselves to tackling?

Mr. Duncan Smith: The Government have been intent on saying that Conservative Members have lurched to the right. However, as the hon. Lady has called me her hon. Friend, I am worried that we may have lurched so far to the left that our position will be untenable. Labour Members cannot have it both ways on that score.

Seriously, however, the hon. Lady maintains that defence budget reductions have created the problem. If that were so, why would she agree with the Government that a further £800 million annual cut will solve the very problem to which she referred? What effect does she think that will have on the families in her constituency who have members serving in the armed forces? It is no good the Government turning round after three years and saying, "We are in a mess, but it is still not our fault, and we are making it worse by making a bigger cut in the defence forces." It makes no logical sense. I wish that they would pack it up and get on with debating what their policy is really about.

Mr. Tom King (Bridgwater): I was the person involved in making the adjustments to our armed forces at the end of the cold war. My hon. Friend dealt adequately with the childish point that has just been made, but it is worth remembering that during the time of those adjustments, we were assailed by the Labour party to make more cuts.

Mr. Duncan Smith: My right hon. Friend is absolutely right. One other point that is worth making—I was not

going to mention it, but I will now—is that at the previous election the hon. Member for Dunfermline, West (Ms Squire) will recall that the then Conservative Government pledged no further reductions in the defence budget. We said that there would be a period of stability so that we could assess the effect of the changes before deciding, finally, whether we had gone too far. That is the most powerful argument against the hon. Lady's point.

I want to begin the strategic aspect of my speech by talking about ballistic missile defence. Interestingly, the Secretary of State centred a large part of his speech on that and it is important to pick him up on it. He talked, rightly, about the problem of proliferation and about the Government's position. I must take him back to the SDR. Part of the problem was the SDR's complete lack of recognition of the nature of the threat, which was already being recognised across the Atlantic. When I read the SDR, I was amazed that it shied away from discussing, other than in a very small way, the effect of such proliferation continuing at the same rate.

All that flew in the face of available information which led the Rumsfeld commission in the Senate to indicate that the United States, at least, would face a direct threat from North Korea and Iran within five years. I remind the Secretary of State that the radius of the threat that brings the United States into target range from North Korea also brings the United Kingdom into target range, because the ranges go over the poles. I am happy to show the right hon. Gentleman a map that demonstrates why it is more than just a threat to the United States now and a threat to Northern Europe later; there is a much greater degree of overlap.

As late as last May, the then Secretary of State said:

> We are not in favour of developing ballistic missile defence systems. We are in favour of the anti-ballistic missile treaty, which was one of the . . . forerunners of arms control legislation.—[*Official Report*, 10 May 1999; Vol. 331, c. 10.]

In the 1999 defence White Paper the Government started to chart a shift by saying:

> The SDR concluded that it would be premature to decide on acquiring a ballistic missile defence capability. We continue however with a programme of work to understand the technology needed for active defence against ballistic missiles both independently and with our NATO allies.

On three separate occasions in the past year, I have made comments or speeches pointing out that we need to give a lead in Europe, and certainly within NATO, and try to get others to discuss properly the viability and nature of the threat. It is interesting that, even in the past few months, information about the developing relationship between Serbia and Iraq does not seem to have forced anybody in Europe to think carefully about the implications.

Serbia has—and has had for some time—48 kg of weapons-grade uranium, and a recent report from the Mulholland Institute informs us that the only thing that Iraq lacks to make its nuclear weapon is enriched uranium. Those two nations are currently exchanging information and forming ties of friendship. That shows clearly that proliferation continues.

Even the inspectors now recognise that even while they were in Iraq, the Iraqis were happily gathering information and capability—ironically, through various market mechanisms—to enable them to produce weapons of mass destruction. That has continued throughout the period of sanctions. What view do we take of the whole process of missile defence, given that there is a country that needs uranium and a country that has it, both of which have pariah status in the eyes of the rest of the world?

Arguably, if Serbia learned one thing during the Kosovo campaign, it was that taking NATO on with conventional weapons is simply not on. The capability has moved on so far that it might consider that the one thing that might have stopped the operation would have been the possession of a weapon of mass destruction, biological or nuclear, which could have created, especially for those who are close to Serbia, just the sort of tensions that we managed to overcome in the NATO alliance. That might have broken our unified front.

The Secretary of State made it clear today that there has been yet another shift in the Government's thinking—probably driven by the intelligence gathering of the Ministry of Defence—so perhaps they, at least in the person of the Secretary of State, are at last beginning to recognise that there is a serious threat that will not go away, and needs to be dealt with in a number of ways.

The Minister of State, Foreign and Commonwealth Office, the hon. Member for Neath, was here earlier, and I wanted to raise with him a matter that I will now have to raise in his absence. The Defence Secretary said on 21 March 2000 that he would look sympathetically at requests to upgrade Fylingdales, but on the very same evening, in another meeting, the Minister of State said that he did not like

> "the idea of a star wars programme, limited or unlimited."

The Government are sending out conflicting messages. The Defence Secretary, driven no doubt by the MOD's understanding of the nature of the threat, is beginning to move towards what I would consider a logical position, while the Foreign Office, in the person of the Foreign Secretary, and especially his Minister of State, is absolutely opposed to the process.

Will the Secretary of State make absolutely clear today the Government's view of the American position? Do they believe that national missile defence is the right response?

Ms Squire: I share the hon. Gentleman's concerns about developments in North Korea and the relationship between Iraq and Serbia. Is his party in favour of the continuation and development of the anti-ballistic missile treaty?

Mr. Duncan Smith: Our position is clear. As the Secretary of State said earlier, we see that as part of a number of processes that are in train to control proliferation. The treaty-based obligations, which continue to be negotiated, are part of that. We are talking now about the problem with which the non-proliferation treaties have not succeeded in dealing, and that is states that are not deterred by those treaties from the possession of weapons of mass destruction—and the means to deliver them, whether by terrorists or by ballistic missile. Therefore, under the cover of those treaties, those states have developed such a capability. I mentioned Iraq's capability earlier, and that was developed during the interplay of those treaties. Of course we take the view that the ends should be achieved through negotiation and

[Mr. Duncan Smith]

treaty where possible, but at the same time we cannot wish away the reality of the need for another deterrent, which does not currently exist.

Mr. Hoon: The hon. Gentleman did not quite answer the question posed by my hon. Friend the Member for Dunfermline, West (Ms Squire) about amendments to the anti-ballistic missile treaty. Does he believe that the treaty should be amended, and what should the British Government's negotiating position be in order to achieve that?

Mr. Duncan Smith: I draw the right hon. Gentleman's attention back to what he said in his contribution. We are not signatories to the anti-ballistic missile treaty, so it is a matter for the USA and Russia, and how it should be amended is to be decided between those two powers. However—this is the important point—obviously we want to see a viable arrangement between the possessors of nuclear weapons, as exists now. I do not resile from that position, but we do not have a negotiating position within the ABM treaty, as the Secretary of State said earlier. Our view or his view on the matter can only be passed to either party, and will not affect any amendment to the treaty.

Mr. Malcolm Savidge (Aberdeen, North): The hon. Gentleman mentioned that the ABM treaty should be renegotiated if possible. He mentioned the Soviet Union, but I trust that he accepts that Russia is its appropriate successor—although I gather that that is not accepted in some parts of the US. I trust that he is not implying that he would be prepared to see the treaty abrogated if satisfactory conclusions cannot be reached through negotiation.

Mr. Duncan Smith: I did not say what the hon. Gentleman claims I said, so the intervention and my comments do not hang together. The reality is that the ABM treaty is a matter for its signatories, and they will have to make the decisions. We will want—so, I am sure, will the Government—some accommodation to be made between the Americans and those who are now responsible for the treaty after the break-up of the old Soviet Union.

Mr. Donald Anderson (Swansea, East): If such an accommodation were reached it would solve the problem. However, that may not happen, and we do not know the key position of the Russian Federation. Is it in a negotiating position and trying to get the best deal it can from the US, either in terms of defence or other matters, or is it absolutely against any form of renegotiation of the ABM treaty? In that case, is the hon. Gentleman prepared to countenance the abrogation of the treaty to meet US aims?

Mr. Duncan Smith: These interventions from Labour Members are enlightening. We are beginning to see the real debate that will take place in the Labour party when it has to make a decision about nuclear proliferation and ballistic missile defence: there will be a return to the old days of the 1980s, when it had to make a decision about our defence against the Soviet threat using theatre weapons. I repeat that the discussions of the ABM treaty should take place between the signatories to the treaty. I cannot begin to say what the Russian position on the issue is, other than what everybody reads in the newspaper. All I can do is draw the hon. Gentleman's attention to what took place in the discussions between the Prime Minister and Vladimir Putin when he was over here. Beyond that, I leave it to the hon. Gentleman's judgment, because I cannot pursue the point.

I hope that the parties reach an accommodation, but the key question is the Government's position on the growing threat. Do they believe that the threat is in line with the Rumsfeld commission report and that, within the next three years or so, we are likely to face a direct challenge from a state armed with such weapons? If that is the case, are the Government prepared to respond to that threat? We still have not reached that position.

Mr. Bercow: In the light of what my hon. Friend has just said, does he agree that it was untimely for the Minister of State, Foreign and Commonwealth Office, the hon. Member for Leicester, East (Mr. Vaz), to signal, in a written answer given on 24 January this year, a growing interest in a readiness on the part of this country to negotiate away her nuclear weapons? Does that not underline the importance of the Ministry of Defence retaining control over policy in these matters, and not allowing the Foreign Office to queer its pitch?

Mr. Duncan Smith: I must say that there appears to be a clear difference of opinion between the two Departments, and that is dangerous. When one sends a conflicting message to a possible aggressor, it will invariably take the weaker message that says that we will do nothing because we are instinctively and ideologically opposed to doing anything else. Countries that want to possess those weapons will take their cue from the mood of the Foreign Office, not the MOD.

I shall end my discussion of the issue by mentioning an interesting comment by the Chairman of the Defence Committee, who said in August last year:

> Sooner or later, we will have to get off the fence and co-operate in developing a ballistic missile defence system.

The Committee at least is beginning to realise that we face a serious problem.

The second aspect of the Government's strategic thinking that is weak and wrong-headed—and also impinges on the ballistic missile defence debate—is on European defence. That comment will not surprise the Secretary of State, who made great play of the issue, and I shall respond. The Government's approach started for very much the wrong reasons. In 1998, the Prime Minister was worried about what he perceived as a weakening of his influence in the corridors of power in Brussels, because of our failure to be part of the euro, and he decided to discuss a range of matters on which we might toss a little more into the pot to rebalance the loss of influence. We should have had some warning of what was to come, because the *Financial Times* reported in June 1998 that it had been briefed about the grandiose ambitions of the Government in Europe and that the UK favoured closer integration in defence as part of a plan to increase influence in Europe. Clearly, the Government were by then beginning to see defence as just another big-ticket item in the game of influence.

On that basis, the Prime Minister started his initiative with the French in St. Malo. We have debated what was said, and I shall not repeat that now, but the decision taken there marks not only the difference between the parties but the difference in approach to what is best for the defence of these islands and of western Europe. The result of that shift will weaken NATO, not create a more potent and balanced NATO, and make it more difficult for it to operate in the future.

The French continue to make it clear how they see the process working. However, their view is totally at odds with that espoused by the Secretary of State. Recently, Hubert Védrine, the French Minister of Foreign Affairs, made that absolutely clear in an interview with *Ouest France*, when he said:

> We aren't giving up the objective of making Europe a power in the world . . . that has driven us from the outset.

That is no surprise to anyone, but the fact that it was said recently, in the middle of all the discussion and debate about the construction of the European strategic defence initiative and the common european security and defence policy is important.

Britain should be taking a lead in working with the United States instead of acquiescing in moves that will weaken NATO. However, I want to focus on the practicalities. The lesson that the Secretary of State said the Government had learned from Kosovo—the Government are constantly referring to it—is that the European capabilities were wholly inadequate, with the United States providing the vast bulk of the air assets used in the Kosovo operation.

The obvious answer was that our European partners should spend more on defence and upgrade their currently woeful capabilities. Here we see the Secretary of State at odds with his predecessor. Lord Robertson has said on a number of occasions, and certainly quite recently, that European countries need to spend more on defence; he branded them "paper tigers". However, the Secretary of State's response—he said it again today—was that European nations did not need to spend more, and needed only to refocus their defence expenditure. He wrote in a letter to *The Times*:

> Britain's Strategic Defence Review has shown that it is possible to make huge improvements in these areas through better use of existing resources. We are urging our partners and allies to use our review as a model for the modernisation of their own Armed Forces.

Mr. Soames: I am sure that my hon. Friend did not mean to create the impression that our European friends do not have good capabilities in some areas. Indeed, the French, the Germans and the Dutch have some extremely professional units that work very well with ours. Is it not correct that because very many of those forces are conscript forces that are completely unsuited to fighting and certainly to any high-intensity warfare, the change required and the time taken to get that change under way is so great that it makes the whole initiative quite meaningless in contemporary terms?

Mr. Duncan Smith: I agree with my hon. Friend. The German Defence Minister recently made it clear that conscription is perceived as a tool of social policy. It means not just membership of the armed forces, but meals on wheels and the like. It is all part of what they call binding the country together, and they do not foresee a major change. A falling defence budget without any major change will mean less rather than greater capability. That is what Lord Robertson, the architect of the SDR, meant when he spoke about paper tigers.

Mr. King: If it is still the case—my hon. Friend will correct me if I am wrong—one of the problems with the French conscripts is that they cannot be deployed outside metropolitan France. If we are looking to deploy the more mobile force to which the Secretary of State referred, one of the real problems with some of the European forces is that they are simply not available. I certainly remember that significant elements of the French forces in the Gulf were from the Foreign Legion, the only troops that they were able to deploy there.

Mr. Duncan Smith: I intend to move on to that point. What is not in dispute, however, is the view that the defence capability of the nations of Europe is not good enough to match that of the Americans or to complement or balance NATO. That is the key. I want to talk about whether what is being proposed presents a solution to that problem, or whether, as I hope to be able to demonstrate, it is there for other reasons.

Mr. Dalyell: Before the hon. Gentleman leaves the topic of Lord Robertson, one or two of us Scots cannot recollect Lord Robertson telling the electors of Hamilton that there should be an increase in defence expenditure.

Mr. Duncan Smith: I agree with the hon. Gentleman. I am not absolutely au fait with exactly what Lord Robertson said at the election, but I do not recall that a pledge to increase defence expenditure was part of his election manifesto. I take the hon. Gentleman's word that it was not.

Ms Squire: Will the hon. Gentleman give way?

Mr. Duncan Smith: If the hon. Lady will forgive me, I must make some progress, as I have given way rather a lot and I know that others wish to speak.

The Minister of State, Foreign and Commonwealth Office, The hon. Member for Leicester, East, has also made the same point as the Secretary of State that in essence, there is no need to increase defence expenditure, but they are at odds with the expert opinion provided by the International Institute for Strategic Studies which last October, in the *Financial Times*, said of the CESDP:

> Unless defence expenditure is allowed substantially to increase, the build up of a serious defence capacity will remain the stuff of communiqués.

We have had a number of debates in the House about the development of CESDP as a political initiative, but today I should like to ask some serious questions about the military practicalities. Reading from the interesting paper produced by the Political Committee of the European Council, I note that the so-called "headline goal" is for the force to be in place by 2003. The report said that the force will be made of up to 50,000 to 60,000 troops and that it will be militarily self-sustaining with the necessary command, control and intelligence capabilities; logistics and other combat support elements. The force

[Mr. Duncan Smith]

may even have to carry out more than one operation at a time. The document further states that the force will undertake

the most demanding mission for at least one year.

The committee noted that it would require an additional pool of deployable forces to provide replacements.

So what is the force for? The Secretary of State consistently attempts to talk it down. Apparently, according to the Government, it is meant to fulfil the Petersberg tasks and not much more. Those tasks involve peacekeeping and the delivery and co-ordination of humanitarian aid. That rules out a Kosovo-style intervention.

Furthermore, in his recent evidence to the Select Committee on Defence, the Secretary of State seemed to bend over backwards to tell us that the force would not have any particular organisation and that we should not get hung up on structures, as it was all just planning. Yet in France and Germany, in the European Commission and in Italy, as we heard earlier, it seemed to be a very different story. We have been through all the quotes time and again, but they seem to indicate that it is an embryonic European army or a Eurocorps. So who is wrong and who is right?

It beggars belief that we should be expected to accept from the Government that the EU and all its member states have embarked on four conferences, endless ministerial meetings, and talked ambitiously about this force of up to 200,000 troops, without believing from the outset that it required a structure and an organisation in its own right and was not just an ad hoc affair, as the Government seem to suggest.

Mr. Hoon: Let me bring the hon. Gentleman back to some degree of reality. He will know that that kind of planning process is routinely undertaken by NATO, as there is no NATO standing force. NATO consistently undertakes similar planning processes to deal with the scenarios that it might face. That is precisely the process that is being advocated for the headline goal. The hon. Gentleman really is making heavy weather of his Euro obsessions when he tries to see some structure lying behind the clear words of what has been agreed between EU nations.

Mr. Duncan Smith: That is precisely at the heart of the issue. If, as he keeps trying to do, the Secretary of State plays down the idea until it is not about organisational structures, but is nothing more or less than what NATO gets up to, the big question is: why in heaven's name have we embarked on it in the first place, if it is already available and capable of being done within NATO?

I shall take the Secretary of State down that road in a moment, as I hope that he will intervene again later. What is the reorganisation for? That is the key question. The suggestion is that it is just an ad hoc arrangement but, given the existence of NATO, why do we need to create, through the EU, the structure that has been described? It would include states that have not been aligned militarily with us or with our allies, but exclude a number of states that have shown their commitment to the defence of western Europe even though they are not part of the EU. There is no logic to that, and the proposition makes no sense.

What will the restructuring achieve that NATO cannot? The Secretary of State referred endlessly to the use of NATO assets, as do all the documents, but what are those assets? The right hon. Gentleman said that they could be used as and when required, but only in EU operations. However, under the terms of the reorganisation, they would be entrusted to nations that were not members of NATO. Do those assets include the US heavy-lift capability, or tanker aircraft, or access to US satellite information—even though not every NATO member country gets that information? Do they include US electronic warfare capabilities or air defence suppression aircraft?

In military terms, such questions go to the heart of the purpose of the restructuring. The point has to be reiterated that a false assumption is being made about the foreign policy dimension. It is that the world view shared by Britain and our EU partners will allow us to operate militarily with them, but will also—somehow—separate us from the USA. The question remains, however: how would we square that? What purpose would it serve, if we are not going to intervene in situations such as those in Kosovo or the Gulf? If we are going to intervene in such situations, where would it leave us? For example, we operated not with France in the Gulf, but with the US.

Mr. Wilkinson: My hon. Friend is touching on an extremely important matter. The proposal is predicated on a difference of view between the European members of NATO and the US. Key US assets would be essential to the prosecution of an independent European operation. However, if the US authorities did not believe in the cause, why should they permit those assets to be drawn down?

Mr. Duncan Smith: That is much the point that I am trying to make as I bring my comments to a close. NATO is sustained because it is a practical option. As events in Kosovo showed, NATO can deliver military force where it is needed and produce results in a military context. If NATO were no more than an ad hoc political arrangement, it would never have got past first base in Kosovo, as the Secretary of State knows.

What in heaven's name is the proposal about if it does not achieve the same status as NATO, but remains merely the ad hoc arrangement described by the Secretary of State? That is the problem. If what is created does not become a big structure, it will remain no more than a political smokescreen. As my hon. Friend the Member for Mid-Sussex (Mr. Soames) noted, such a smokescreen would hide the fact that European nations would continue to cut their military budgets, thus reducing their capability. That in turn would place great strain on the NATO alliance, and would not solve the real problem, which is that more needs to be done, and done better.

Mr. Donald Anderson: I do not agree that the proposal is a smokescreen. The hon. Gentleman makes a caricature of what has been proposed. There has never been any suggestion that the European component, in the foreseeable future, would be able to take over a matter as large as the Kosovo conflict. The US has exerted constant pressure for burden sharing in NATO and for Europe to assume a greater role. It is accepted that there will be problems at the edge of Europe, perhaps in the Balkans. For good reasons, the US would not wish to be committed

there, but Europe could play a role by taking on a so-called Petersberg task. Such an operation would be relatively small, and the key element is that NATO will always have first refusal on it.

Mr. Duncan Smith: I thank the hon. Gentleman, who has made my point for me. Why is Kosovo always quoted as the lesson that we have learned, when what we are saying behind our hands is that there is no talk of resolving the Kosovo problem? The issue at the heart of the nonsense peddled by the Government is that, in reality, a political solution is being applied to what is essentially a military problem. That is deeply dangerous. We will see how the proposition divides NATO, which is concerned with military solutions.

The Secretary of State mentioned Europe's defence failings, but why cannot they be resolved in NATO? What problem exists that prevents strengthening the European arm of NATO? Why is there any need to go outside NATO? The proposal excludes some nations whose commitment to the defence of western European is not in doubt, and includes others that have never been allied with NATO. Why do we need to go outside NATO to achieve something that the Secretary of State believes can be done in an ad hoc manner anyway?

Mr. Anderson: The answer is simply that, in many theatres, the US may not wish to be involved.

Mr. Duncan Smith: That is nonsense, as it has been made clear within NATO that there may be occasions on which the US may not wish to be involved. For example, as with Kosovo, it has always been the case that not all members would want to be involved directly or militarily in an operation that NATO wanted to mount. My point is that such matters can be resolved in NATO, and that, contrary to the Government's apparent ambition, there is no need for alternatives outside NATO to be prescribed or created.

In reality, the Government have opened a door to those who consider NATO to be the problem rather than part of the solution. That is the dangerous aspect of the proposal, and the Government are busy telling everyone not to worry. They have told the Americans that the proposal is about improving capability. They have told the French that it is about improving European defence and having greater control over it. They have told the House that it is about nothing, really.

Mr. Hoon: The hon. Gentleman is allowing his anti-European obsessions to affect his process of reasoning. The important lesson for this country from Kosovo was that European countries were not organised in such as way as to allow them to respond rapidly to that conflict. The reorganisation is designed specifically to deal with that problem. Subsequent events have demonstrated that Europe can get forces in the field over a period of time. For example, about 80 per cent. of the forces currently in Kosovo are European, but the question is how we address that rapid deployment capability. That is where the relevance of Kosovo lies. If the hon. Gentleman had studied carefully the initial publication made by my predecessor last October, in which the lessons learned from Kosovo were set out, he would have seen that relevance clearly. That is what he is missing.

Mr. Duncan Smith: Oh no I am not.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Perhaps I might suggest to the House that interventions should be brief. I know that hon. Members are talking about a highly technical matter, but interventions must be brief.

Mr. Duncan Smith: I take your advice, Mr. Deputy Speaker, and my answer to the Secretary of State's intervention will be brief: the right hon. Gentleman is wrong. He has confused the real lessons from Kosovo with the so-called solution that he has put together. The lessons from Kosovo were very simple. As my hon. Friend the Member for Mid-Sussex said earlier, the nations of Europe have allowed their defence capability to fall below a level that allows them to work and co-operate with the best in NATO.

What is the point of being able to deploy troops to a theatre of war if they are not able to fight when they get there? The Secretary of State keeps on using the Kosovo argument, but if the European initiative that he has set out is not designed to deal with Kosovo, why in heaven's name does he use Kosovo as the relevant example? The key point is that the restructuring is really a political device, and the Government have released a tiger that will create huge problems.

The second strand of my argument has to do with sustainability under the strategic defence review—our ability, in military terms, to sustain operations while maintaining the objectives of the SDR. I want to consider the problem of overstretch, but not simply on the basis of figures. I want to consider how the Government are dealing with the problem and whether their actions have made things worse.

The key issue is the relationship between the regular forces and the reserves. The defence review made a commitment to increase the size of the Regular Army by 5,000 while reducing the Territorial Army by 18,000. Since that reduction, it has become clearer every day that it was wrong-headed. In every NATO nation of any significance—even some of small significance—the ratio between the regulars and the reserves is far higher than ours. That is especially true for America and Australia—although Australia is not a NATO nation—both of which have professional forces similar to our own. The logic for them is clearly that with smaller professional forces one needs to be able to access well-trained reserves—for obvious reasons.

Those ratios compare unfavourably with the Government's—on paper, a full strength of 111,000 to 40,000 in the TA. As my hon. Friend the Member for Salisbury (Mr. Key) recently discovered on a visit to Texas, the US army reserve has almost as many men as the US Army. If the national guard is added, the US can put together a force that is nearly twice the size of its regular force.

The picture is much the same in France, Germany and Canada, where the number of regulars and reserves is broadly equivalent. For example, Italy can apparently mobilise 240,000 reserves to its army of 160,000.

[Mr. Duncan Smith]

Although we might debate the effectiveness of its regular army, that ratio is important for its operation. By contrast, our Territorial Army, under the review, does not even make up half the numbers in our Army.

The real problem is that our professional Army was forced to make a choice between it and the TA—of course, it chose the TA. Even if I accepted the Government's logic—that to increase the Army we had to reduce the TA—we must consider how bad things are in reality. Let us forget the paper and look at actual numbers: we are 6,000 men under strength. If the Adjutant-General is to be believed, it will take about 31 years, if all goes well, to get us up to strength, so surely the Territorial Army must play an even greater part in taking up some of the slack.

That is the key criticism. The Government's action on the TA has made matters worse and the situation will get progressively worse over the next few years. There is no slack and the TA will be unable to assist because the pressures on it are beginning to mirror those on the Regular Army. I want to highlight the fact that I am not engaging in a stupid debate about overstretch. We know that that is occurring—it happened while we were in office; that is fully accepted. We must deal with reality. How do we tackle the problem in the short and in the long term? In the short term, the reserves are critically important.

Equipment is also important in any discussion of sustainability. The forces that we put in the field need the right equipment, and enough of it, to sustain that deployment. That is the key to our future success. Recently, there have been several leaked reports. About a week ago, a leaked report from the Public Accounts Committee seemed to back up internal MOD reports about the Kosovo operation, leaked at the beginning of the year. The reports dealt with the problems of sustaining our initial and subsequent involvement in Kosovo.

When I talk to members of our armed forces, I find that they are deeply concerned about that matter. When they talk about support and spares, they all refer to what—rightly or wrongly—they believe to be the supermarket ethos of the MOD. They talk about the just-in-time concept. Many of them told me that when they went into Kosovo they experienced great problems in getting the right spares to the right place at the right time. Those comments seem to have been borne out by the reports. As a result of those problems, far too many tanks and armoured vehicles were off the road simply for want of a track or a bogey wheel that could not be supplied because of the limited spares support. Our commanding officers are worried about those serious problems; they believe that they are reaching crisis proportions.

The matter is critical. The Kosovo report will sound a wake-up call to the Government and to all politicians. The problems have gone too far and we need to think again. If we put our troops in the field, we must be able to sustain their action in both easy and difficult circumstances when they are opposed for some time. That will create an even greater problem.

We should also consider the future. Where are we going under the smart procurement programme? That was supposed to give our troops the right equipment to help them to operate in the manner envisaged under the strategic defence review. The two latest big procurements are the BVRAAM—the beyond-visual-range air-to-air missile—the short-term heavy lift, and the long-term commitment to tranche two heavy-lift replacement. It is time that decisions were made on those matters.

I hear that decisions have been made in the MOD, but we also hear—perhaps the Secretary of State can confirm this—that the Chancellor has taken control of those decisions. Apparently, he has his own view on the strategic and tactical requirements of the MOD. I was not aware that the Chancellor was such a military expert—he is now capable of deciding exactly what is required for the operation of the SDR. Will the Secretary of State remind his right hon. Friend—I am sure he has already done so—that, in the SDR, smart procurement laid a requirement on the Government? They were to stick to their part of the bargain—to make the decisions in time so that industry could produce the equipment for our troops to undertake their SDR requirements. Any further delays by the Chancellor will make a mockery of what he calls smart procurement—I would call it stupid procurement on a grand scale.

The MOD is in a difficult position. It is trying to operate under the SDR requirements and according to its view of what is happening throughout the world. However, as we proceed, we realise that some of those important assumptions were wrong and that the review itself was thus fundamentally flawed. That flawed review has led the Government into making incorrect assumptions, with the result that our armed forces are in difficulties. They face greater commitments, with the likelihood that the quality of their equipment is not as good as it might be. The Government need to review the matter immediately and rapidly. In so doing, they should also review their strategic requirements in the light of future threat. Unless they make a decision on ballistic missile defence and on their stance in that debate, and unless they lead that debate, I fear that we shall expose ourselves to a future threat to which we have no response. Then, of course, it will be too late.

2.49 pm

Mr. John McFall (Dumbarton): It is a privilege for me to participate in this debate and to reflect on the Government's work, globally and locally. I am particularly interested in local matters, given that the Clyde submarine base and Coulport are in my constituency.

I congratulate the Government. Much mention has been made of global issues. When the Labour Government were elected in 1997, they banned land mines, so there will be no import, no export, no manufacture or transfer of land mines. No British soldier will ever lay an anti-personnel land mine. That is a great achievement. We can be proud of Britain's role in the world on that issue.

Mention has also been made of the strategic defence review. The problems have been going on for more than a decade. I was a member of the Select Committee on Defence when the right hon. Member for Bridgwater (Mr. King) was Secretary of State for Defence and we were grappling with the problems of a post-cold war world. A common theme that has emerged under both Governments is: how do we respond to a changed world and make our forces more flexible and mobile? At the core of that is the need for change in our armed forces.

I know that great moves have been made over the past decade and I encourage the Government to continue to ensure that our forces have the flexibility and the mobility to respond to the crises in East Timor, Mozambique and other places that have been mentioned in the debate.

Although I recognise the need for the strategic defence review, I also understand the need to free up money for the front line. That is a key issue. We must eliminate unnecessary duplication across the three armed services, dispose of surplus MOD property and come up to date with e-commerce and information technology so as to eliminate unnecessary bureaucracy. I wish to pose several questions about those issues. Although I recognise that changes must be made, the way that they are carried out is extremely important. How we go about our business concerns me.

As I said, I have an interest in the subject because of the bases in my constituency. It is important to emphasise how crucial those facilities are to Scotland, particularly when we hear the rantings of members of the Scottish National party. [HON. MEMBERS: "Where are they?"] Exactly—they are not here for this debate. I have heard vacuous comments from the leader of the SNP and others about the Clyde submarine base, Coulport and Rosyth, and their argument that everything can be done by conventional ships. He knows, in his heart of hearts, and we know that that is total nonsense.

For the sake of individuals and political parties in Scotland, it is worth noting that in 1997–98, 10,640 full-time equivalent direct jobs were provided by the operations of the Royal Navy bases in Scotland. A total of £265 million in gross wages and salaries was paid to the employees at those bases, and of that figure more than 70 per cent. was paid in my constituency. Some 6,000 full-time equivalent jobs were provided for civilian employees, mainly civil servants, and more than two thirds of them were provided at the Clyde base. A further 4,641 jobs were for Royal Navy personnel, which were also concentrated at the Clyde base.

Taking into consideration other employment, other income, supply linkages and the fact that local firms have been given support, in 1997-98 the Clyde base generated for the Scottish economy 10,785 full-time equivalent jobs, 70 per cent. of which were civilian jobs. The resulting income for the area is estimated at £256 million, of which £154 million comprises wages and salaries to civilians. The base makes a substantial contribution to the local economy of Dumbartonshire, where more than 9,100 jobs have been generated, of which nearly 6,000 are for civilian residents. That is equivalent to 11 per cent. of all full-time equivalent employees in Dumbartonshire. If the SNP's defence policy were implemented, we would have a huge problem throughout Scotland—and not least in my area.

It is relevant to note that the figure of more than 10,000 direct full-time equivalent posts provided by the Royal Navy is greater than the number of jobs provided by 25 of the 60 industrial and service sectors in Scotland during 1997. The jobs make a huge contribution and we must go about our business in a sensible and sensitive manner.

My hon. Friend the Member for Greenock and Inverclyde (Dr. Godman) mentioned the Govan shipyard and the contract for ro-ro ferries. My hon. Friend the Minister will know the heat and the emotion that the issue has generated in Scotland, particularly on the Clyde. Polaris came to the Clyde in 1963, when there were about 33 shipyards on the river. We are now left with two or three, but there is still a proud tradition in the Govan and Yarrow shipyards. Ministers and the Ministry of Defence should listen to the pleas of communities on Clydeside, because tradition, symbolism and community pride are involved in ensuring that we have such jobs to provide employment in the area.

The problem for Govan is one of timing. I understand that contracts have been out to tender, but the contracts for the type 45 frigates will be made in three years' time. It is important that the yards have full orders to ensure the continuity of employment, and my hon. Friend the Member for Greenock and Inverclyde and others have made that very point.

Dr. Godman: I remind my hon. Friend that I have more constituents working in Govan than any other Clydeside Member. About 30 big orders will come from the MOD, but only four or five yards are capable of building the ships. My hon. Friend is right: those yards must be kept in operation to meet the massive orders that will come on stream very soon.

Mr. McFall: I mentioned the issue of community pride, but skilling is another factor. We do not want deskilling to take place on the Clyde so that, once this hiatus is over, we no longer have the work force to do the work. That important point must be made loud and clear to Ministers and the MOD. Had Ministers and others been in Glasgow when petitions were being organised, they would realise that there is a head of steam behind this issue.

My hon. Friend mentioned his constituents who work in the shipyards. Quite a number of my constituents also work in them, so we have a common interest in ensuring the stability of the Clyde yards.

Mr. Davidson: The case for shipbuilding on Clydeside is not based simply on emotion; it is based on the defence argument that it is absolutely and utterly essential that we retain the capability to build type 45 frigates and appropriate subsequent vessels. That capability will be maintained only if Govan Shipbuilders Ltd. is retained, as its new owners, British Aerospace, intend to operate Yarrow and Govan together as a twin-site location for a single yard.

We have a difficulty with the flow of orders at the moment, but did my hon. Friend notice, as I did, the breakdown of P&O's latest liner, which was built in a German yard? The Government should draw lessons from that, which I hope will lead them to conclude that what one pays little for at the outset might end up costing much more in repairs in the longer term.

Mr. McFall: My hon. Friend is extremely eloquent in putting the strategic case. The essence of his argument is that, if we want things to work, they have to be built on the Clyde. That message must be taken on board.

I raised the issue of service personnel residences in my constituency with my hon. Friend the Under-Secretary yesterday and he was kind enough to respond to me. The Churchill estate in Helensburgh, which has more than 700 homes, has for many years required attention and

[Mr. McFall]

renewal by the MOD. That has been taking place in the past few years, but the MOD and the Navy have a legitimate case for disposing of a number of those houses because of the reduction in the number of personnel. There is a duty to individuals who came to Faslane to secure jobs in the Royal Navy and who are now in those homes. There is also a responsibility to ex-wives of naval personnel, whose marriages have broken up but who still find themselves in the area. The problem has continued for almost three years and my hon. Friend will understand my frustration—that is the least of it—and that of individuals who feel that their future housing requirements are threatened by what they would regard as the capricious decision-making process of the Defence Housing Executive and others.

I know that my hon. Friend the Under-Secretary listened to me intently yesterday, and I understand that something will be done. I was on the telephone this morning to the Dunbritton housing association, which has put in a bid for the houses. Along with the Argyll and Bute council, it has been negotiating with the Defence Housing Executive over the past few years to take over the homes. It will soon be meeting Mr. Phillip Gibb of Defence Estates. I want the talks to take place urgently, as does the Minister. I know that he will be interested in the progress that is made. I hope that, over the next month or so, we can close the gap in perceptions between Defence Estates and the Dunbritton housing association, and ensure a good and stable future for many of the people in the Churchill estate.

There is a sound reason for having good social rented housing in the Helensburgh area, and the local Argyll and Bute council is aware of it. There are 523 applicants registered on the local authority housing waiting list for Helensburgh, and a further 163 are registered as statutory homeless persons. Last year, there were only 137 relets in the area. It is obvious that social rented housing is needed. The sooner that the Defence Housing Executive, Defence Estates, the Dunbritton housing association and the Argyll and Bute council sort out the matter, the better it will be for all. As I mentioned to my hon. Friend the Under-Secretary, I am willing to be involved in any negotiations at a local level to ensure that this three-year saga is brought to an end.

I bring to my hon. Friend's attention a letter that I received from my right hon. Friend the Secretary of State for Defence on 18 April, in which he said that the new Defence Logistics Organisation was being launched. He also said that the targets for reducing costs were essential, while improving the quality of logistic support to the front line. That has caused much concern, especially to the work force in the area that I represent and the unions.

I received a delegation of representatives of the various unions—the Public and Commercial Services Union, the Amalgamated Engineering and Electrical Union, the Institution of Professionals, Managers and Specialists, the GMB and the Transport and General Workers Union—at my constituency surgery only last Friday. In the past week, I have been provided with one of the newsletters of the Clyde trade unions.

The unions feel that they have been betrayed by the MOD on this issue, which goes back to the DLO initiative headed by Brigadier Sam Cowan. Little information has been made available to the work force, whose members feel that the negotiations that are taking place between Babcock Rosyth Defence Ltd., the MOD and private employers mean that their jobs will be lost. We have struggled for years to ensure that there is no privatisation at Rosyth or at the Clyde submarine base at Faslane. When, only a few years ago, there was such a threat involving HMS Neptune and catering supply services were threatened, the unions and I went to see the then Secretary of State for Defence, my right hon. Friend the Member for Hamilton, North and Bellshill (Dr. Reid), who is now Secretary of State for Scotland. We put the unions' bid forward while recognising that money had to be saved under the strategic defence review for front-line services. The unions were willing to work with the MOD to ensure that that money was saved, but that jobs were also saved in the process.

The HMS Neptune initiative resulted in a saving of £1 million a year to the services while jobs were retained. I ask the Minister to ensure that sensitivity is brought to the DLO initiative, otherwise fear will be induced in the work force and morale will decline. That is the last thing that we can tolerate in that environment.

I ask for clear guidance and for lines of communication to be opened with the unions to ensure that the contribution that they have made over the years is appreciated and that it will be maintained. There must be no rushed decisions or judgments on any possible privatisation. The Under-Secretary knows from my discussion yesterday that I shall be taking a close interest in these important matters as they develop, as will my hon. Friends.

I shall mention one or two matters in the context of Britain's role in the world, the first of which is arms control and non-proliferation. The post-cold war scenario indicates that one of the most serious threats is the proliferation of missiles, which can be adapted to carry biological, chemical, conventional and nuclear warheads. One problem is that missiles are used increasingly for legitimate purposes—for example, for satellites and space exploration. I suggest that our objective should be to establish a missile control convention, which would reduce proliferation by requiring full transparency, verification mechanisms and the establishing of international export controls.

Urgent attention should be given to introducing measures to curb the frightening spread of small arms, most of which are exported from the former Soviet states. A good example of such an initiative is the small arms moratorium in west Africa. However, we should be exploring other approaches at a small arms convention, which would place production, sales and, above all, exports under an international transparent regulatory framework.

We have widened our export control regime to European Union countries, but how can that be replicated globally? Should we be proceeding through the United Nations? We should be debating such measures so that they can be taken forward on the international stage.

There could be an international weapons monitoring centre, where satellite surveillance would be undertaken. It would provide the opportunity to have an international co-ordinating monitoring system for large weapons. A verification regime is essential for chemical and biological weapons through the biological weapons protocol.

My right hon. Friend the Secretary of State mentioned the important issue of joined-up government, which is important not least in terms of international development. If we are to have a stable and peaceful world, we must rigorously pursue the goal of international development. The countries where education is in the ascendancy and where economic development is taking place are largely at peace. War is taking place in countries where there is ravaging poverty and little education. Joined-up government means the Ministry of Defence working with the Foreign Office and the Department for International Development to ensure that our global aims in eradicating world poverty and ensuring that there is education throughout the world are realisable. These aims will not be pious in their objective; they will be pragmatic and will have profound strategic consequences in ensuring that we create a peaceful and stable world.

We must ensure that we have not only joined-up government but a global approach to solving problems, so that we can look forward to the day when we have a more decent world. With that in mind, the role of Britain in the world is extremely important. We are playing our part in promoting initiatives, and I hope that we will continue to do so.

3.10 pm

Mr. Tom King (Bridgwater): I certainly join the hon. Member for Dumbarton (Mr. McFall) in his plea for joined-up government and for Britain to continue to play a role in helping to ensure a more peaceful world. In the hon. Gentleman's ambitions in that respect, I see the role of the Ministry of Defence and our armed forces not as traditionally bellicose and war-mongering but as crucial to the world in its capacity to do good. The events of recent years mean that I do not have to explain that comment—it will be readily understood.

My intervention on my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) shortly after that of the hon. Member for Dunfermline, West (Ms Squire) revealed to hon. Members, although they may already have known, that I had a deep involvement in defence at a particularly critical and difficult time of change. I learned from that period about the delicate balance that one has to strike between commitments and resources. That balance has been mentioned in the exchanges between Front-Bench Members.

I was involved in an extraordinary period of change following the cold war—a situation that had been static everywhere except on the periphery. We had maintained as many as 300,000 troops in Germany, although that figure had fallen to 100,000 by the time that I became Secretary of State. The line of the iron curtain, running across the centre of Germany, was seen as the front line of defence of the western world. We had to handle the move to a sensible, sustainable—almost peacetime—footing, and I believe that we achieved that.

Unfortunately, having achieved change and moved from position A to position B, we came to a standstill, but it was sensible to maintain the existing structure, resources and scale of operation. I shall be honest and say that I viewed with concern, but a certain amount of understanding, the move into "Front Line First", the review of the support services and the various examinations that followed. Difficult decisions had to be made during those years of the Conservative Government, but I think that in general they got them about right.

Throughout my time as Secretary of State, and subsequently, the Labour party's policy was to have a review. That was a way to avoid making any commitments or embarrassing statements. One did not have to be the world's greatest psephologist to see that there was the possibility of a change of Government in 1997, and I was concerned about whether the Labour Government would prove to be a Government who were prepared to give defence the priority that my party and I had, over the years, believed necessary.

There have been suspicions and allegations—the latter are frequently made on the hustings—that the Labour party is not interested in defence. Holding this debate today does not help to dispel that impression among the general public. A debate on defence in the world, an issue that the House should discuss and which should be of great concern to us, is held on the one day of the year when most hon. Members are likely to be away and unable to attend. Such timetabling of parliamentary business happens, and other debates have been held on unfortunate days, but it contributes to a general impression of the present Ministry of Defence team.

I make my remarks in no sense of personal animosity or offence to the Ministers concerned. They are not the most senior Ministers in government. The Secretary of State had been a Parliamentary Secretary in the Lord Chancellor's Department and within four months of becoming Minister of State, Foreign and Commonwealth Office he was moved to his present post. Not a single Defence Secretary in the Conservative Government had not already had several years of Cabinet experience before he moved to that position.

Defence is always under pressure. One can always cut defence expenditure because one will not pay the penalty for that action within the next one or two months, but the need for wisdom and an understanding of the importance of maintaining sufficient defence expenditure becomes abundantly clear when problems start to arise and resources are needed.

There are competing forces in government. My hon. Friend the Member for Chingford and Woodford Green referred to the strategies and ambitions of the Prime Minister, who wants our defence contribution to be a ticket to a bigger chair at the table of European discussions. The Foreign Office has its own ambitions and ideas, with the Treasury, God help us, always trying to find out how it can economise. The Secretary of State for Defence is in a lonely position, and it is tough facing those ambitions. He has to have seniority and clout if he is to begin to defend his Department against big hitters around the Cabinet table, some of whom will want to push him in directions that may not make sense in defence and military terms. On the other hand, the Treasury is anxious to deny him the resources to achieve the aims that he considers necessary.

I am not, therefore, surprised that there is a general opinion, which comes not only from a party-political viewpoint, that defence is not being given the necessary priority. Although I make that observation as a party politician, I hope that the House will recognise that I speak with deep concern for defence and our armed forces. I have huge respect and affection for them and the role that they have played so consistently over the years. Our armed forces, too, observe the respect and attention awarded to them by the Government and note Ministers' concern about their welfare.

[Mr. Tom King]

The ministerial team are sincere and they are trying hard to handle the portfolio, but they are very new to the subject. It seemed logical to have a review that would be foreign policy driven. That sounds wonderful, but it depends on a strong belief that the Foreign Office is capable of divining the future so that we can adequately meet all our needs. I found one of those quotes that one finds at the bottom of the page in one's diary. It is by Disraeli, although I was not aware that he had said it. He said:

> What we anticipate seldom occurs. What we least expected generally happens.

Disraeli could not have predicted the Falklands war. The role of the Foreign Office in giving advice was not entirely unconnected to the mess that we got into over the Falklands. I was involved in the Gulf situation. Nobody identified Saddam Hussein's intention to invade Kuwait; the intelligence on that point was almost non-existent. On the contrary, we had good intelligence that although he would make a show on the border, he would not invade Kuwait. Hon. Members will remember that.

When that happens, the Ministry of Defence cannot say to the Foreign Office, "We are terribly sorry but this event is not on your list of predictions, and we are meeting the foreign policy-driven requirements of the strategic defence review, so I am afraid that we are not available for that engagement." The Ministry of Defence has to make provision, and our armed forces have to discharge, with great distinction, whatever duty is required of them. Foreign policy does not provide sufficient drive for the defence strategy of our country.

I agree that we need flexibility and mobility. The Secretary of State referred to them as though they were discovered only during the strategic defence review. I refer him to the White Papers issued by the Conservative Government, including "Britain's Army for the 90s" and "Options for Change". The MOD has a great capacity for regurgitating worthy slogans, and mobility and flexibility are concepts that have been well embedded for some time. We moved away, rightly, from the rigid structures of the cold war and from the emplacements of the front lines of the iron curtain to a more flexible, mobile defence structure. However, flexibility is needed both in military capability and in concept and imagination.

The Secretary of State commented on how much NATO has changed and how different it now is from 50 years ago, 20 years ago, and 10 years ago—which is when I sat in on NATO meetings. I remember that in those NATO meetings, we sat next to the United States, because seating was arranged in alphabetical order. Then, at a meeting of Partnership for Peace, I found myself separated from Dick Cheney, then US Defence Secretary, and General Colin Powell, then chairman of the joint chiefs of staff, by the representatives of Ukraine, who were seated on my left, and on my right sat the representatives of Uzbekistan. At that moment, I realised the speed and the extent of the change that had occurred in the world and the conceptual framework within which we had worked for 50 years, when none of those people would have got through the door without being arrested.

Some things change, but some things stay the same. I shall not talk, as I have before, about overstretch, to which my hon. Friend the Member for Chingford and Woodford Green referred. We have present a Minister responsible for resources, even though the Secretary of State bravely said that defence is not merely about resources—that is true, but resources are an extremely important element. There is currently a serious problem of overstretch and I am profoundly worried that we have not yet seen the full impact: I wonder what impact serious retention difficulties will have on the capacity of our armed forces to respond to new problems.

Certain factors are critical to the success of our defence posture. The first, to which my hon. Friend the Member for Chingford and Woodford Green referred, is NATO, which has lain at the heart and been the strength of our defensive alliance. The United Kingdom has a vital role to play, but the key element in NATO is the United States of America. I am not against European co-operation; I am not against Europe taking on a greater burden where it can, nor against Europe conducting operations in which the United States does not want to be involved. However, that must be done in such a way that it does not undermine American confidence or give the Americans the feeling that we are walking away from them.

Allow me to illustrate with an example from an area in which I take a strong interest. As the House knows, I have the privilege to be Chairman of the Intelligence and Security Committee. In the new types of engagements in which we have become involved, arising from a mobile and rapidly changing world—for example, in Mozambique, Kosovo or East Timor—good intelligence is a priority. Intelligence input can result in our armed forces being deployed in territories previously unencountered. The ability to gather accurate, good intelligence is absolutely essential, whether it takes the form of images or some other medium.

The House will know that the intelligence relationship between the United Kingdom and the United States is extremely important to both. Hon. Members might be aware that, only the other day, a considerable part of US intelligence capability collapsed; operations were sustained during that difficult period by GCHQ, which shows the closeness of that relationship and the extensiveness of the interdependence. I understand that, for a similar reason, there have been one or two collapses in London today, which only goes to show the new challenges posed by the new world. It is vital that we maintain that intelligence relationship and have access to American ideas, capabilities, research and development in matters such as information warfare.

I do not know the full extent of events in London today, but it is obvious that that which, during the war, would have been achieved by a bomb can now be achieved through information warfare of some sort. Nowadays, it is as easy—and probably more effective—to attack a power station by disabling its computers as it is by using traditional military means. We need to work together with those who are capable of developing the responses and defences that are needed in such situations. The SDR spoke of asymmetric warfare. New developments outside the traditional forms of defence and warfare will, no doubt, increasingly challenge the major developed countries of the western world. We need close co-operation with our allies and partners, of whom America is one.

I care about defence issues and this country's defence capabilities because I remember Dean Acheson's famous remark:

> Great Britain has lost an empire and has not yet found a role.

I do not think that people say that now, because Britain has started to find a role that it can play. America, well directed and well guided, can be a great force for good in the world, and it is arguable that it is now the only superpower. However, its isolation is a weakness: if America acts unilaterally, the action is perceived as American imperialism, and that perception inhibits America's capacity to play its potentially most useful role. America needs critical, constructive partners and allies.

During the Gulf war, everybody played their part: the United States provided leadership, but it was the United Kingdom becoming involved as the crucial first partner that provided the nexus around which others could build. Now, as other events unfold throughout the world, we see the role that Britain can play, not in an imperial sense, but in the sense of our acting as the good citizen and partner in the world, to which the hon. Member for Dumbarton referred.

That is why I care that we should maintain our defences. It is no good our coming to the Chamber and paying tributes to our wonderful armed forces if we are not prepared to give them the resources, the training, the equipment and the experience they need to carry out their many roles. If we provide them with what they need, our armed forces will continue to bring credit to this country and this country will continue to make its contribution to the world.

3.28 pm

Mr. Menzies Campbell (North-East Fife): I cannot resist the feeling that today's debate resembles a bran tub into which one can put one's hand and pull out an issue or a topic that will not be out of order and that, because of the broad title of the debate, will allow one's speech to remain relevant, at least to some degree. In that spirit, I should like to raise three procurement issues that relate to Britain in the world, but that the House might have expected to address during a debate that dealt solely with procurement matters.

On the missile for the Typhoon, it seems to me that it is more than high time that the Government made a decision. The same applies to the C-17s or their equivalent, which formed an important part of the strategic defence review and around which, like the roll on/roll off ferries to which I shall come later, the whole concept of an expeditionary strategy is based.

If the reports—which have all the appearance of having been deliberately leaked from the Treasury—are true, the House and those of us with an interest in defence will want categorical assurances from those on the Treasury Bench today that they will fight the Ministry of Defence corner as hard and as toughly as they can. Those two procurement decisions are vital for the capability that every hon. Member who has spoken so far has said is essential if we are to play the role that fate may ask us to fulfil.

With regard to the roll on/roll off ferries, I visited Govan Shipbuilders during the Easter recess—not just because I was born, and spent a great deal of my life, on Clydeside, but because the issue is of such great significance not only for the survival of the shipyard, but for the procurement of the 30 future orders that we have been assured today are likely to be placed in due course.

I was impressed by the extraordinary realism of the shop stewards whom I met there, all of whom had worked for more than 30 years. In the history of that shipyard, there must have been many occasions on which they thought that the next pay cheque would probably be the last. However, they are men of enormous commitment and entirely realistic about the issue and what the solution should be.

I associate myself with the remarks of the hon. Member for Dumbarton (Mr. McFall) and, in an intervention, those of the hon. Member for Glasgow, Pollok—formerly Govan—(Mr. Davidson), who has left the Chamber. I adopt what they said and use it for my argument, but I make a further point, which has not been made so far.

Those whom I met were at great pains to point out that if the order for four or six roll on/roll off ferries goes to Govan, it will be the key to unlocking investment of about £150 million by the owners of the yard. That would enable the two yards, Govan and Yarrow, which are at opposite ends of the Clyde tunnel and can be reached in a few moments, to compete effectively for the 30 future warship orders that are likely to be placed.

That is good not just for Govan and Yarrow, but for the Ministry of Defence, which must be assured that the capability exists and that the yards can compete with one another, to ensure the best possible price. I hope that we will get an early decision that meets the legitimate aspirations of those whom I met on my visit and all those who work in that shipyard.

Mr. Quentin Davies: I am delighted that the right hon. and learned Gentleman visited Govan, which I visited two weeks ago. When he went to Govan, was it explained to him that if the orders for the roll on/roll off ferries do not come to British yards, including the Clyde, thousands of skilled shipbuilding workers will have to be laid off, and there will be a gap before the type 45 destroyer orders come through? Either those workers will not be available, or it will be much more expensive to hire and train them, so ultimately British yards will have to quote higher prices for the type 45s. Taking the long-term, lifetime view of cost which, under smart procurement, the MOD is supposed to do, that factor should be taken into account in deciding where to place the orders for the roll on/roll off ferries.

Mr. Campbell: That point was made to me, and I accept it as valid. I hope that those on the Treasury Bench listened to that intervention, which seemed entirely sensible.

The past few months have not been easy for Ministers. Hardly a day has gone by without allegations of overstretch or undermanning, increasing strain on the families of those who serve in the armed services, faulty equipment, low stocks of munitions and, as we have discussed, the deferment of essential procurement decisions. The most recent example was the draft National Audit Office report, which was pretty robust.

The shadow Defence Secretary was right to raise the notion of just-in-time supply. It may suit Tesco and Safeway, but it should not suit the Ministry of Defence. I recollect—and I hope that my mind is clear on the matter—that the notion of just-in-time may have been introduced as part of the defence costs study "Front Line First" by Mr. Secretary Rifkind, as he then was.

[Mr. Campbell]

That being so, the difficulties and inadequacies caused by that approach almost certainly date from an earlier stage than the present.

Mr. Soames: The right hon. and learned Gentleman is right that the notion was introduced in the defence costs study, but as he will remember, it was introduced for good reason. The services had enormous stocks stored away. Much of that was useless, entailing vast cost, and had to be cut down. I agree that it may not be the perfect system, but it is much better than tying up in current stock a great deal of the money that the services need.

Mr. Campbell: I do not want to pursue the supermarket analogy too far, but the one thing that distinguishes successful supermarkets is that they do not have a great deal of produce tied up that is never sold. If the intention had been to introduce just-in-time in that sense, it might have been successful, but it is apparent from the operations in which we have recently been engaged that, as presently constituted, it has not provided the necessary logistical support.

We cannot point the finger at our troops. It is notable that the British soldier remains the partner of choice in peacekeeping contingents. That tells us a great deal about the professionalism and commitment to which we pay tribute on these occasions.

We should have a self-denying ordinance to provide that we can talk about defence expenditure and how much it has fallen on this occasion and never again. We should acknowledge that we have got to the present point by various means, and consider how we can best ensure that our forces get what they deserve in future.

It is true that defence spending has fallen by 22.6 per cent. in real terms since 1989. The budget for 2001–02 will be 4 per cent. less in real terms than in 1998–99. Whether that is a saving or a cut may be an interesting exercise in polemics, but it does not help the soldier in the field. The best way to look at the issue is as summed up by the Select Committee, which stated that the armed forces were being asked to do "more with less".

When the reductions in expenditure were taking place, the then official Opposition never said that defence expenditure must not be cut by the amount proposed by the then Government. I own up. I never said that. There was in the House, although never expressly stated, an acceptance that the cuts should proceed. That makes it all the more difficult seven, eight or 10 years later to say that what is happening now is justified by what happened before.

Moral imperatives rarely come cheaply. The right of intervention, which the Prime Minister rightly set out in his Chicago speech, presupposes a moral obligation to give our forces all that is necessary to carry out the difficult and dangerous tasks that may be involved in such interventions. It may well be true that defence is not a high priority among focus groups, but it would certainly become a key political issue if British forces should fail in some highly visible mission at some future date.

It is clear that the evidence strongly points to the fact that the current deployments in Bosnia, Kosovo and the Gulf would become very difficult to sustain if we were called upon to make even a further medium level deployment.

What is to be done? A return to the 1998–99 defence budget of 2.7 per cent. of gross domestic product would require an increase of £3.4 billion. To hit the 3 per cent. GDP figure, much beloved of the Chairman of the Defence Committee, who is not with us today, would require an increase of £6 billion in the defence budget. Such increases are not sustainable in the present budgetary climate, but the Government could certainly abandon the damaging and debilitating 3 per cent. so-called annual efficiency saving. If the Government wanted to take one measure to restore morale and reduce financial pressure, that would be the easiest to undertake and the most politically acceptable. Otherwise, the time may well come when a commitment, which, for political, environmental or other reasons, was entirely to be supported, would have to be turned down because of lack of resources. That might prove extremely embarrassing for the Government and the House of Commons.

Mr. Duncan Smith: I agree completely about the 3 per cent. efficiency saving, or cut, whatever one wants to call it, but is not the real problem that when the Treasury got its £800 million a year, it took it regardless, and that that drove the MOD to look for this internal saving? If it abandons that saving, it will have to bear the full effect of the cut. Therefore, the Treasury would have to hand some money back.

Mr. Campbell: The word on the street—if one can say that of Whitehall—is that the Treasury wanted £2 billion. The Prime Minister—largely as a result of his visit to Washington in 1998 when, in discussion with President Clinton, he realised the significance of our maintaining military capability in terms of political influence—allied himself with the former Secretary of State for Defence, Lord Robertson, and they were able to beat the Treasury off to the extent of only £500 million. But the price that had to be paid was the so-called 3 per cent. efficiency cut. Cut or saving, the effect is almost inevitably the same.

There will be public pressure for intervention in future, and it is worth reminding ourselves that that pressure will arise in a quite different international environment. Environmental degradation, resource depletion, volatile markets, unequal economic relationships, and even mass immigration will play an important role in the next decades in fostering insecurity. Another important feature of all this is that in modern conflict 90 per cent. of all casualties are likely to be unarmed civilians. The civilian has replaced the soldier as the primary casualty of warfare.

How shall we contain and, I hope—I suppose that it is a pious hope—eliminate such conflicts? That will depend on the negotiation and implementation of treaties imposing tighter obligations on Governments. Conversely, it will also depend on a commitment by Governments to honour such treaty obligations and international procedures to ensure the observance of such obligations and the acceptance that national sovereignty does not give state Governments the right to deprive their citizens of the fundamental human rights set out in the United Nations declaration of human rights. That is a different environment from the one that we have surveyed during the past 50 years or so.

In that new world, not necessarily brave, nor one that has brought its own order, the United States, for the foreseeable future, will be unchallengeable as a military power—the dominant force in maintaining world order.

But it is not difficult to argue that global dependence on a single dominant state is not healthy for that state, nor for the others. That is why I am unashamedly of the view that the EU must be prepared to take up responsibilities in contributing to international stability and peace.

A particular role that we may be able to fulfil concerns Russia. We should reflect upon and understand that anti-NATO feeling in Russia has never been higher, even among those whom one would regard as liberal moderates in the Duma. For them and for many other Russians, Kosovo was a betrayal of trust; they would say that it was the perfect example of NATO's aggressive intentions which the west has been at pains for so long to deny. Our argument that humanitarian justification permitted intervention has largely fallen on deaf ears. They in turn would say that Kosovo has created a new precedent by which, if there is deadlock in the Security Council, a regional alliance may act alone, intervening in the internal affairs of another state.

In that regard, a European Union with a more assertive role in matters of stability, peace and security, may be able to provide a more effective bridge to NATO than NATO standing alone has been able to in the immediate past.

Mr. Dalyell: Does the right hon. and learned Gentleman agree that, as it happened, the west's proverbial bacon was saved by pressure on Milosevic from Russian military intelligence? The Russian military intelligence establishment in Moscow was the decisive force in bringing Milosevic's actions to an end. Does he further agree that it is becoming clear that Operation Horseshoe was manufactured in the first instance by Bulgarian intelligence?

Mr. Campbell: I am not sure about the hon. Gentleman's second proposition, but I certainly take the view that the intervention of the Russian Foreign Minister, when he went to Belgrade and said that, in the event of a ground attack, Milosevic could not look to Russia to provide any support, was undoubtedly a determining factor in Milosevic's decision effectively to sue for peace.

It is also true that under Mr. Putin, about whom I have publicly expressed some reservations—the alacrity with which he was received in the United Kingdom was quite improper, but I put that to one side—we have had the ratification of the comprehensive test ban treaty by the Duma and the ratification of the second strategic arms reduction treaty. Those are important steps forward.

We should also understand that events in Kosovo and the basis for intervention there was followed closely by China as a permanent member of the Security Council, and also by India. There are those now who argue that some form of defence and foreign policy co-operation between those major regional powers who were most opposed to the intervention cannot necessarily be ruled out in the future—once again, a sign of the changing environment.

Britain accepted a long time ago that we could no longer conduct defence on a wholly independent basis. That was why we became a member of NATO. The logic for Europe collectively making better use of the $160 billion or so which it spends on defence is overwhelming. Whether more needs to be spent or whether what is being spent should be more effectively spent is an interesting question. Some studies say that for two thirds of the expenditure we get 10 per cent. of the capability. Most Chancellors of the Exchequer would want to look first at whether better value could be obtained for the money being spent. But if it were necessary to spend more to achieve a level of capability, European Union countries that are members of NATO should not be allowed to shrink from that obligation.

It is clear that the United States is far ahead of its European allies in rapid reaction, technology, heavy lift, and—as the right hon. Member for Bridgwater (Mr. King) eloquently pointed out—intelligence. Far too often the debate revolves around questions of institutions and, as the shadow Defence Secretary made clear, the argument about how to give Europe a greater voice in the deployment or use of American assets.

Fundamental in Europe, if the idea is to have anything other than a presence on paper, is that capability must be provided in a form and of a substance that will allow Europe to conduct operations such as that in Kosovo. The Petersberg tasks were for the Western European Union. If the capability is to make any sense whatever, it must be adequate to allow us to conduct operations such as Kosovo.

If we consider Bosnia, we realise with the benefit of hindsight that European countries' reluctance in the early days to deploy armed forces was a major cause of the continuing instability. Early deployment might have prevented much bloodshed and avoided many of the difficulties that took so long to tackle because the international community's reaction was so delayed.

It is right that NATO should retain its primacy. I advocate strongly NATO's right of first refusal. I tell those like the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), who seemed less than enthusiastic about it, that the need for the capability is driven by the fact, which is becoming increasingly clear, especially on Capitol hill, that we cannot look to the United States to keep pulling European chestnuts out of the fire. We were able to rely on President George Bush in the Gulf, but which of us would be entirely happy to rely on would-be president George W. Bush to do the same in future, or to take the same interest in Bosnia and Kosovo that, with some arm-twisting and much hand-wringing, we were able to persuade President Clinton to show?

Let us consider national missile defence.

Mr. Wilkinson: Before the right hon. and learned Gentleman considers the key issue of ballistic missile defence, will he explain how Europe, without vast additional expenditure, can acquire the required technology—space-based systems, adequate intelligence, heavy lift, a sufficiency of precision-guided munitions and personnel—to undertake an operation such as that in Kosovo? How will that be achieved?

Mr. Campbell: On numbers, there are 2 million men and women under arms in Europe. Many of them are conscripts.

Mr. Wilkinson: Trained people?

Mr. Campbell: One thing at a time. We should try to persuade the Germans to reconsider national service and

[Mr. Campbell]

impress upon them the effectiveness, which we have found, of a fully professional army. The French have chosen to go in that direction because their experience in the Gulf convinced them that the capacity of an army based on conscripts to operate in a high-intensity warfare spectrum was substantially limited.

I do not suggest that Europe should try to acquire the same capacity or quality of intelligence gathering as the United States. However, a properly funded, properly capable Europe ought to have been able to undertake an operation such as Kosovo by itself. Europe should pitch its tent and establish its objectives at that level.

I want to consider national missile defence. President Clinton has established four criteria: threat assessment, cost, feasibility and the effect on existing arms control treaties, responsibilities and allies. There are various estimates of the cost and scope of the ultimate proposal. A sharp division of opinion about what is necessary exists between Republicans and Democrats—that is hardly surprising in a presidential election year. However, any of the proposals would require substantial modification to the anti-ballistic missile treaty, against which Russia has currently turned its face.

Some reports suggest that Russia might be willing to make a compromise on changes to the treaty. If that is possible, it is worth examining. However, we must take account of the fact that a growing constituency in the United States rejects a multilateral approach to international security, which is represented by treaties and agreements such as the ABM treaty. That was underlined by the Senate's refusal to ratify the comprehensive test ban treaty.

If threat is so important, we should remind ourselves of the classic definition of threat: capability plus intention. It is not the mere existence of the capability that constitutes the threat, but the intention taken with the capability. We must ask ourselves what motive could North Korea, Iran or Iraq have in launching a nuclear warhead at the United States, in the knowledge of the enormous capacity for retaliation.

Those who argue strenuously for NMD have not tackled to my satisfaction its undermining of the fundamental principle of deterrence. If deterrence is not effective, on what have we based our nuclear policy for the past 40 or 50 years? The threat is far less likely to come from nuclear warheads on Taepo Dong-2s, which may have the range, than from sarin on subway systems, as happened in Tokyo. That is the asymmetric threat to which the right hon. Member for Bridgwater referred. It is a much more acute threat. I should be far more comfortable if the vast energy of the Pentagon and the political anxicty of Capitol hill were directed at dealing with it.

Mr. Donald Anderson: Does the right hon. and learned Gentleman agree that it is more plausible to argue that although there is no serious threat of North Korea launching a missile at the continental USA, the USA's policies in other theatres, such as defending South Korea, might be imperilled by the possibility of that threat? The threat is therefore indirect.

Mr. Campbell: There has been little consideration of the consequences for other areas if NMD were deployed. For example, there has been some suggestion of the considerable unease of the Chinese. Some statements imply that they might feel compelled to increase their limited arsenal of 15 or 20 intercontinental ballistic missiles.

There is also a problem in Europe, which France and Germany have voiced, about the deployment of NMD. They cite the need for improved relations with Russia. They also make the point that some NATO members could become safer than others if some countries deployed NMD. That raises interesting questions about the obligation of mutual defence.

Mr. Duncan Smith: The right hon. and learned Gentleman mentioned understanding whether a threat existed through intention. He should recognise that the current concept of deterrence also existed in the mid-1980s. When the former Soviet Union deployed its SS20s, we did not say, "That's all right because our nuclear deterrent will deter them." We met the threat at the required level. The missiles may not be tipped by nuclear weapons; the threat may be biological. To be fair to the United States, it has established a domestic preparedness programme, which considers how to deal with the sarin threat on the tube. We have done nothing similar.

Mr. Campbell: The deployment of cruise and Pershing depended on the then central NATO doctrine of flexible response. That involved a staircase of nuclear responses to specific scenarios. The compelling argument for Pershing and cruise was that if we did not deploy against the SS20s, the doctrine of flexible response would have a large hole in it. We could thus have found ourselves moving from nuclear shells to be used on the battlefield—or short-range nuclear weapons, such as Lance or its equivalent—to intercontinental ballistic missiles or Polaris. Without a deployment equivalent to the SS20, the notion of flexible response would have been substantially damaged.

What is in it for the ruling elite in Baghdad if its members fire—or even threaten to fire—a missile at Washington? The consequences for Baghdad would be horrific, and the ruling elite would not be exempt from them. Therefore, as the hon. Member for Chingford and Woodford Green said, although the notion of threat is firmly rooted in capability, sufficient account has not yet been taken of the fact that threat involves not only capability, but intention.

Mr. Quentin Davies: *rose—*

Mr. Campbell: I must make progress—I have spoken for rather longer than I had intended—by briefly referring to Kosovo.

NATO did well in Kosovo, but it is an organisation of defence, not diplomacy and nation building. I find myself closer to the hon. Member for Linlithgow (Mr. Dalyell) than he might otherwise believe in that we have a strong, compelling obligation to do much more about how Kosovo is being managed and about how the Balkans should be reconstructed. That is why a conference on reconstruction, a Danube co-operation pact or something similar represent the creative thinking that should be happening now. NATO was right to intervene and the

intervention was effective, but I am less than comfortable with what has happened in Kosovo since the end of the successful military operations.

I cannot remember when Iraq was last debated in the House, yet it remains the United Nations' most high-profile and intransigent headache. Iraq brings into sharp relief the authority under which the United Nations operates and the means at its disposal to enforce its resolutions. Since the Iraqi troops were ejected from Kuwait, the allied powers—to use that slightly dated language—have maintained strong forces in the region. The United States maintains up to 30,000 military personnel in the region at times of tension. The United Kingdom currently has 1,048 men and women servicing the no-fly zones in the north and south of Iraq and nearly 1,900 on the carrier group operating in the Gulf region. Those are substantial commitments.

There are almost daily confrontations between allied aircraft and Iraqi air defence forces. Between last October and April, coalition aircraft have been fired on by surface-to-air missiles or anti-aircraft artillery on more than 200 occasions and, in response, have attacked almost 90 targets related to the Iraqi air defence network.

Mr. Dalyell: Will the right hon. and learned Gentleman give way?

Mr. Campbell: I want to make progress, if I may. Since 1992, the Ministry of Defence—

Mr. Dalyell: On a point of order, Mr. Deputy Speaker. The right hon. and learned Gentleman said, understandably, that he did not know when there had last been a debate on Iraq. There have been three Adjournment debates—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman is in clear breach of the rules of the House in trying to make that point in that way.

Mr. Campbell: I freely acknowledge that the hon. Gentleman has been at pains to raise the issue of Iraq—*[Interruption.]* On as many occasions as he cares to tell us, but there has not been a debate such as this, open to the whole House and taking a day, when Iraq and, especially, the extent of our military commitment have been debated. I mean no disrespect to him.

Since 1992, the MOD has incurred additional expenditure of almost £900 million as a direct result of operations in the Gulf. There have been reports in *The Times* that the costs to British forces amount to about £4.5 million a month. I confess that I am anxious about what we are doing in the north and the south of Iraq because it could be interpreted as more of an attritional campaign against Iraqi defence systems and military infrastructure than an attempt to fulfil the original purposes of the no-fly zones. Of course, that has had consequences—action and reaction—because there are increasingly credible reports of deals, bargains and other arrangements between Iraqi and Russian weapons manufacturers and importers. Indeed, there are reports that Belarus has recently signed a £56 million deal to upgrade the Iraqi air defence system.

Mr. Donald Anderson: It is a proxy for Russia.

Mr. Campbell: As the hon. Gentleman rightly says, it is a proxy for Russia. If Iraq were to succeed in bringing down allied aircraft, that would boost Saddam's internal position and put Iraq firmly back on the domestic agenda in the United States and the United Kingdom in a way in which all of us who are interested in such matters would not necessary find comfortable. I support the policy that we have maintained for 10 years, but I should be wrong not to say that I have had some reservations about it from time to time. The time may not be far distant when we may be forced to review the policy.

The old certainties of mutually assured destruction have been replaced by an environment of proliferation and increasing uncertainty during the past 10 or 15 years. The glue of the NATO alliance—the most successful defensive alliance in history—has largely been loosened by the reduction of the acute nuclear threat. That threat has been replaced by other, more complex challenges that, unfortunately, do not have the same unifying force. All that continues to show the vital importance of the United Kingdom playing a significant, well-founded role in defence in the world, but I cannot resist concluding by saying that we must ensure that we have the resources to do so.

4.6 pm

Mr. Donald Anderson (Swansea, East): It is always a pleasure to follow the right hon. and learned Member for North-East Fife (Mr. Campbell) and the right hon. Member for Bridgwater (Mr. King), both of whom speak with a real commitment to defence and enormous knowledge of the subject built up over many years. *[Interruption.]* I am glad that I have stopped the right hon. Gentleman in his tracks. I was especially interested in what he said about asymmetric defence, which can take many forms.

The terrorist bomb that went off in the City could have crippled our financial capital if it had been a little closer to the centre of operations. I understand that that problem has now been solved, but the incident showed the enormous damage that can be done. For example, computer hackers could have gained access to the United States power system on the east coast, and biological weapons could be fitted into a milk churn. There are all manner of asymmetrical responses to the power at the disposal of the US and its allies. A major debate is taking place in the US on that matter, but, alas, there is little debate in the United Kingdom.

I have found the reversal of roles in defence debates since 1997 interesting. I took part in defence debates in the early 1990s and recall criticisms of the various reviews—"Options for Change" was described as Treasury led—and of the reductions in the Territorial forces. There were debates about heavy lift, the procurement of the C-17s and so on, so I have a feeling that this is where I came in. I was amused that the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) says that he has converted to the idea of a defence review, although he wants it to be more foreign policy based. However, the right hon. Member for Bridgwater suggested that perhaps the Foreign Office did not have all the answers.

The summit of the knowledge of the Greek philosophers is said to be, "Know thyself." That is not a bad motto to apply to our defence capabilities. To know oneself means, in effect, to know where one has come from, one's history, geography and current position,

[Mr. Donald Anderson]

and the challenges that might be faced in future. Our history has clearly given us a unique place in the world. I shall refer to some of the factors that might represent the security and political underpinning of a defence strategy, which the right hon. Gentleman said was lacking from the strategic defence review.

Given our history and our reduced economic status, we have a remarkable position in the world in comparison with, for example, Japan and Germany, which, although far stronger than us economically, do not benefit from the range of international organisations and the range of expertise that are available to us. I am thinking of, for example, the United Nations Security Council, the European Union, the Commonwealth and the G7 membership. A key part of Britain's role over the past 50 years has involved adjusting to the new realities that followed the elation of the victory in the war—a victory, certainly, but a very exhausting victory for this country.

Our special relationship with the United States, which resulted from co-operation during the second world war, is still very much alive. That is true in terms of intelligence, and in another sense. When the chips are down, the United States looks around for allies, and we are always there—as we should be when our interests are coterminous with those of the United States, as they almost invariably are. In any event, the hangover from our wartime co-operation remains, in terms of personnel and institutions.

We have managed to move away from the illusions of the mid-1950s. I recall that at that time, Sir Anthony Eden spoke of the "three circles" involved in United Kingdom foreign policy. He was referring to our relationships with Europe, the United States and the Commonwealth, and to circumstances in which we would never have to make a choice—circumstances in which we would become involved with the Continent only in our traditional role as restorers of a balance of power that might have been destroyed by a Napoleon or a Hitler. That assumption, which was wrong then, is even more wrong now, but it is still flirted with by some who talk in political terms of a North American Free Trade Agreement relationship.

I joined the Foreign Office in 1960, when we were just beginning to readjust to the idea of European union after an attempt to bypass the realities through the formation of the European Free Trade Association. Following the withdrawal east of Suez, we had to adjust our commitments to the resources that we were prepared to make available. It is possible that we were able to fulfil an independent role in certain areas during the 1980s. We did so successfully during the Falklands operation, but we would not be able to mount a similar operation now. Now, given that Hong Kong is part of the People's Republic of China, with the Falklands assured and a democratic Argentina, only through alliances will we be able to play a defence role. That was recognised in the strategic defence review.

Mr. Wilkinson: The hon. Gentleman referred to the south Atlantic, and I accept what he said about Argentina. Surely, however, the United Kingdom could conduct a Falklands-type operation rather better than it did in 1982. It now has the airborne early warning system, and the ability to project power more effectively. I wish that the hon. Gentleman would not spread doom and gloom, in a military sense. The Falkland islanders ought to know that they have not only the political reassurance provided by a good relationship with Argentina, but the military reassurance that the garrison can, if necessary, be fully backed up by power projected by the United Kingdom.

Mr. Anderson: I could easily go over this ground with the hon. Gentleman, who has strong interests in the area. He should note the change in our merchant marine force that has occurred during the intervening period, and compare our ability to deploy shipping then with our inability to do the same now. I could list a series of categories that would demonstrate the unlikelihood of our being able to mount a similar operation on our own today.

Let me now deal with the geographical aspect. We now operate mainly as a regional power, consistent with our interests in Europe, but we bring vast reserves of experience and the excellence of our armed forces to that. The real year of change was 1989; indeed, some have argued—I think the Foreign Secretary did in a recent speech—that the millennium began not earlier this year but, in broader terms, in 1989, when the Berlin wall fell and, subsequently, the old Soviet Union collapsed.

Two interesting examples were given to a parliamentary body by General Klaus Naumann, then the chief European commander in NATO. He said that prior to 1989 he was a company commander on the borders of the old Czechoslovakia. Static, looking over the border, he knew every bush on the other side of the frontier that he had to patrol. That was a very different sort of warfare. Indeed, the number of troops that were deployed along that central European frontier has already been mentioned today.

The general identified a remarkable difference from those days. He said that on one occasion when he was at NATO headquarters he found a member of the Russian delegation engaged in improper activities—spying, effectively. He summoned the head of the Russian delegation, and said "I have caught your colleague in a position that is clearly wrong, but this is the information that he was seeking. If you would like to have a look at it, here it is." That gives some indication of the sea change that has taken place since 1989.

That change has affected every aspect of our defence. I am thinking, for instance, of the way in which procurement has altered. A good example is provided by the Upholder submarines. Because of the lengthy procurement times, they were planned in the early 1980s. More than £1 billion of taxpayers' money was spent on them. By the time that they were at the point of commission, however, their whole purpose—their role in the northern approaches—had been made obsolete. Alas, fairly recently we sold them—albeit rightly—to the Canadians, at the best price that we could get. That gives some idea of the effect of the change, not only in terms of our strategic targets, but in terms of the logistics, matériel and weaponry to perform the necessary tasks.

The new European policy will evolve. There are clearly substantial differences between us and some of our European allies. I concede that there was a political element in the St. Malo summit. It can be seen, in part but not entirely, in the context of the wish to be seen at the high table in Europe and the fact that the financial door was blocked at the time and remains so, but there was more to it than that. There was clearly a convergence,

which culminated in the summit, between the French, who were finding their independent stance—both in terms of procurement and generally—insupportable financially, and ourselves, who were seeking a wider role in Europe.

St. Malo was broadly welcomed by our European allies, but it masks a somewhat different approach. Clearly, some in the European Union take the superstate approach. Any superstate must, by definition, have a military capacity, and—this may be connected with the Gaullist attitude of the past—must seek to distance itself from the United States. This Government, like this country, take a rather more pragmatic approach. We accept that there will be a security role for the European Union, and hope that there will be a wider definition in respect of the key NATO allies that are not part of the European Union, but we trust that it will be recognised that NATO remains the cornerstone of our defence policy, and that in many instances we shall wish to retain its assets. Indeed, it would be foolish to duplicate those assets even if there were a will to do so.

The undermining of some of the more grandiose European defence schemes is clear from the shrinking defence budgets of our European allies, and the lack of commitment to spend the money that could provide the heavy lift, the intelligence and the more sophisticated weaponry that our US allies can provide. There is first refusal—it is not a bad formula. The United States may feel, for whatever reason, that it is a European show, but still be prepared to co-operate. That is the point at which Europe will carry out the tasks, planning as far ahead as it usefully can. Those tasks must be fairly limited.

The right hon. and learned Member for North-East Fife said that the Petersberg tasks were essentially for the Western European Union to carry out, but I understand that the WEU's only operation at the moment is a limited police operation in Albania. It is not difficult to foresee quite a number of tasks, particularly in the border areas of Europe—such as the Balkans—where our interests are mightily engaged, yet where the United States, for various reasons, might not want to deploy their forces. European interests—as defined broadly in terms of refugee flows and economic instability—are engaged there, and we would wish to be engaged.

It is wrong that many Conservative leaders see the matter in terms only of a broad anti-Europeanism—a gut anti-European Unionism—rather than being pragmatic, seeing that there is a natural regional alliance and that there is a role for the new Europe in that area—not a role for some vast superstate, but a role that is pragmatically defined. So much for the role of the new Europe in defence. Clearly, there will be vast areas of possible activity.

There is an enormous technological gap between the defence forces of the United States and those of Europe. Indeed, that gap has been exacerbated by the admission of three new members—Poland, the Czech Republic and Hungary—at the Washington summit in spring 1999.

The military capacity of those countries is very limited, so, in technological terms, Europe is almost splitting into three. The United States is light years ahead of the rest. We lead the second division, as it were, and the technological capacity of the three new countries is substantially behind. That causes a problem in terms of inter-operability and working together in a co-ordinated way.

One does not have to be a Marxist to say that the economic substructure is of some interest. Increasingly, European business, including European aerospace business, is going ahead and making alliances well beyond what is happening politically. One thinks of the vision of someone such as John Weston at British Aerospace, and the way in which transnational alliances are being formed. That forms the basis commercially and economically for a new European alliance.

There were great reservations in the United States about the movement in Europe following St. Malo. That was shown diplomatically when Strobe Talbott spoke at Chatham house in the autumn of last year. My understanding is that those anxieties have been largely allayed. It is wrong for people to pretend that there is a gulf of misunderstanding between ourselves and our United States allies on the matter.

I turn to limited national missile defence. A major problem is looming. Four criteria have been set.

Mr. Quentin Davies: The hon. Gentleman is a great expert in foreign affairs. I know that he will recognise that it is great mistake to think that the State Department is the sole reliable spokesman for American opinion, or even opinion in the Executive branch. Strobe Talbott may be rather more relaxed about European security and defence policy post-Helsinki than he was, but I hope that the hon. Gentleman is alive to the fact that there are still considerable reservations and concerns in the Department of Defence and, importantly, on Capitol hill.

Mr. Anderson: I said that the reservations and anxieties that were widespread in the autumn of last year and exemplified by Strobe Talbott's speech have been largely allayed and satisfied. When I say that, I mean that they have been allayed not just in the State Department but in much of the Administration as a whole.

Clearly, the problem on Capitol hill is different. There is a highly partisan atmosphere there, as one saw with the decision of the Senate, for partisan reasons, to oppose the President and not to ratify CTBT 2—but essentially the United States position as exemplified by the Administration is much more satisfied about any potential threat from developments in Europe.

On limited national missile defence, the criteria were set out by the right hon. and learned Member for North-East Fife: threat assessment, costs, existing treaties and so on. My judgment is that the decision will not be made according to those criteria, any more than the British Government's decision on the euro will be made according to the criteria for the euro. The matter is driven essentially by domestic politics in the United States. There is an enormous cross-party coalition in favour of some form of national missile defence. It derives in part from a feeling that the United States is vulnerable and the illusion that it can be made invulnerable as a result of such a system.

That raises many questions. The technical problems still have not been solved. Any so-called rogue state that has the capacity to send a ballistic missile to the United States will probably have the capacity to have a number of decoys—chaff and so on. There are still many technical and political questions with regard to the effect on Russia, the anti-ballistic missile treaty and China.

[Mr. Anderson]

I well understand the Government's unwillingness to say that they need to make a decision, because they hide behind the hope that they will not have to make one—that there will been an accommodation between Russia and the United States, with a limited amendment of the ABM treaty. However, if, for whatever reason, Russia refuses to agree to such an amendment and the United States goes ahead anyway, a real dilemma will face this country.

If it is our view that the urge within the United States to deploy some form of national missile defence is unstoppable, will we then say that we accept the inevitable? Will we say that, having accepted that, we will accept the implications for Fylingdales and go ahead, hoping that we can perhaps limit the national missile defence system—although I fear that, rather like the housemaid's baby, although it is only small now it has the capacity to grow? Will we say, at the cost of enormous disruption and causing a great clash between ourselves and our United States allies, that we share the scepticism of a number of allies on the continent and will not allow Fylingdales to be used because we are looking at a wider basis and we see how the whole strategic balance could be jeopardised?

The Government hope that they will not have to face that problem, but alas they may have to if, as I fear, the drive on Capitol hill and within the Administration is unstoppable, if there is a Republican victory in the presidential elections in November, and if the Russians refuse to play the game and extract the best bargain that they can by agreeing to limited modifications of the ABM treaty.

It is true that some forces on Capitol hill say that the treaty is dead already because it was signed in 1972 between the United States and the former Soviet Union. They say that, although the Russian Federation is in most cases the successor state to the Soviet Union, so many other countries have been excluded from that federation that the treaty is no longer valid. Perhaps those forces on the hill will become very much stronger if there is a Republican victory in November.

Mr. Savidge: I intervened on the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) precisely because of that particular view on the Republican side of the Senate. Although I was concerned when the hon. Gentleman mentioned the Soviet Union, I now realise that he simply made a slip of the tongue and was not wishing to be identified with that particular Republican view.

Mr. Anderson: I shall conclude my speech speedily.

The world is very different now from what it was in 1989, and the pressures in the defence sphere are wholly changed. We have now to consider matters such as flexibility, inter-operability, new alliances and new forms of threat. In every way, we shall have to be creative in adjusting to those changes.

The right hon. and learned Member for North-East Fife dealt with the concept of intervention for humanitarian purposes. I am glad that the United Kingdom is seeking to build a consensus in the United Nations on the conditions in which such interventions might occur. However, I think that there will never be such a consensus. National interests—particularly those of China in Tibet, and those of Russia in Chechnya and the other Caucasus republics—will ensure that there is no consensus on the matter in the United Nations. Nevertheless, the search is worth while.

Sir Winston Churchill frequently made the point that the Chinese character denoting crisis was actually composed of two characters, one designating danger and the other opportunity. Dangers there are aplenty, and they will arise in different forms—such as weapons of mass destruction, new forms of terrorism, ease of access to chemical and biological weapons, and the types of weapons that have been used in the Tokyo underground. Putting aside the threat of ballistic missiles, it is easy for a terrorist to operate in a city street or for a ship to approach the United States coast and penetrate its proposed defence shield. It would be far cheaper to try to civilise North Korea than to develop weaponry that may be wholly destabilising and serves only a domestic political purpose.

Those are some of the dangers. However, opportunities, too, are available—to adjust to a new role, not to be stuck in the past, and creatively to try with our allies to create a safer world.

4.33 pm

Sir John Stanley (Tonbridge and Malling): It seems to be my allotted station in the House to follow in the wake of my Foreign Affairs Committee colleague, the hon. Member for Swansea, East (Mr. Anderson), and I am delighted to do so once again. I wish to raise four issues and shall endeavour to make the shortest speech so far in the debate. I want briefly to deal with nuclear proliferation, particularly in relation to Russia; the American national missile defence programme; biological weapons; and the land mines convention.

Like the right hon. and learned Member for North-East Fife (Mr. Campbell), I was very encouraged, and indeed somewhat surprised, by the events that have occurred in recent weeks in Moscow. Those of us who went to Moscow in the months after the ending of the Kosovo war and spoke to a wide range of political opinion in Russia were left in no doubt whatever about the vitriolic sense of injustice among a complete cross-section of political opinion in Moscow about NATO's involvement in the Kosovo war. Although I regard that sense of injustice as being wholly misplaced, one could not in any way deny the strength of feeling against NATO at that time. The feeling seemed to be very prejudicial to the likelihood of the Duma's ratification of START 2 or the comprehensive test ban treaty.

It is excellent that, in the past few weeks, those two crucial arms control treaties have been ratified by the Duma. That action puts in even more disappointing relief the failure of the United States Senate, so far, to ratify the CTBT. However, ratification by the Russians of those two very important arms control treaties still leaves some very major nuclear proliferation issues in relation to Russia.

The first issue that I want to address is that created by the quite staggering scale of the stockpile of nuclear fissile material still inside Russia. With other Foreign Affairs Committee members, I was fortunate quite recently to be briefed on the matter by the senior official responsible in the United States Department of Energy. Although I

cannot recall whether the figures, in metric tonnes, that we were given on the size of the stockpile were classified, simply to illustrate the scale of the remaining problem I shall deal with the matter in terms of cost. The public figure for the estimated cost of converting the Russian plutonium stockpile into mixed oxide fuel is estimated to be $1.5 billion. On top of that is the whole issue of the destruction of Russia's highly enriched uranium.

Not unreasonably, the US Government feel that, as the whole of western security is involved in trying to remove that stockpile, or at least certainly in reducing it very substantially indeed, Europe should be making some contribution towards the cost. I think that that is a very reasonable proposition, as the issue relates directly to our own security. I should be grateful if the Minister, in his reply, could give us any view that he can on whether the British Government, with our European NATO partners and European Union member partners, are willing to contemplate making a contribution to the cost of the conversion of plutonium into mixed oxide fuel, which entails de-weaponising it. Are the British Government prepared to make such a contribution and to seek one from our European partners?

The second aspect of proliferation from Russia to which I should like to refer is the still acute danger of nuclear material being smuggled out of Russia. Although that material is probably not in fissile form, it could perhaps be so converted. On that, I noticed a very disturbing and considerably detailed report in *The Sunday Telegraph* on 23 April on the interception of 10 lead-lined containers being moved from Kazakhstan to Uzbekistan. The containers were intercepted after being detected as radioactive. The incident certainly raises the issue of the danger of nuclear material being smuggled out.

The US Administration have been very exercised about the issue and have given practical help in making available to several customs authorities in those areas portable devices for detecting radioactivity. I should be grateful if the Minister would tell us what action the British Government are taking to try to assist the Americans and our other NATO allies in helping the Russian Government with the very serious problem of the illegal leaching out of potential nuclear materials, some of which, it is reported, may be on their way to terrorist groups, such as that of bin Laden.

I want to deal with the United States national missile defence programme, which has been referred to, rightly, by almost every speaker in the debate so far. It is a dominant defence policy issue in the United States and deserves to be given a higher profile here as it is a major defence and arms control issue.

There has been some attempt inside the US Administration and elsewhere to represent this as a relatively minor modification to the existing ABM treaty. The phase 1 plan of the NMD could be construed as a relatively minor modification. It is a transfer of the American entitlement of 100 ABM interceptors, as allowed under the treaty, from the national capital to Alaska. However, phase 1 is a prelude to phase 2, on which we received a valuable briefing in Washington. Phase 2 involves, in numerical and geographical deployment terms, much more widespread deployment of ABM interceptors. As I have said, phase 1 of NMD could be presented as a modification of the existing treaty, but there is no doubt that phase 2 effectively means a tearing up of the existing treaty and having no treaty at all, or putting in place a fundamentally different one.

Sir Geoffrey Johnson Smith (Wealden): Does that include the United States sharing the use of Fylingdales with us? Would that mean tearing up the ABM treaty? I would have thought not.

Sir John Stanley: Phase 1 involves a material modification of the existing treaty which, as my right hon. Friend the Member for Wealden (Sir G. Johnson Smith) knows, allows the deployment of 100 interceptors around the two national capitals. The major modification is represented by the Americans being allowed to transfer their allocation to Alaska. As I understand it, phase 2 would be quite different. It would involve a much greater number of interceptors being deployed much more widely in the continental United States. I will come to the Fylingdales dimension in a moment.

In his opening speech, the Secretary of State set out the Government's position on NMD. I listened carefully to him and he exposed a fundamental contradiction in the Government's position. That has been revealed clearly in the different way that questions have been answered by Foreign Office Ministers and Defence Ministers. For example, the Minister of State, Foreign and Commonwealth Office, the hon. Member for Leicester, East (Mr. Vaz), answered a question on 11 April on the Government's position on NMD and said:

> We have made it clear to both sides that we wish to see the anti-ballistic missile treaty preserved.—[*Official Report*, 11 April 2000; Vol. 348, c. 185.]

That is the clearly stated view of the Foreign Office. However, the preservation of the ABM treaty is incompatible with any move towards NMD. There is no way that NMD can be accommodated within the terms of the existing treaty.

Remarkably, my hon. Friend the Member for Salisbury (Mr. Key) was given a different view in an answer from the Secretary of State for Defence on 21 March. My hon. Friend asked

> what recent discussions his Department has had with the United States regarding a European-wide ballistic missile defence system.

The Secretary of State said:

> We will continue to consult closely with the US and take account of the work they are doing, to help us take an informed decision on whether to acquire such a capability ourselves in the future.—[*Official Report*, 21 March 2000; Vol. 346, c. 491W.]

The Secretary of State for Defence is holding out the defence policy option of acquiring Europeanwide ballistic missile defence. There is no way that holding out that option can be compatible with adherence to the existing ABM treaty. It is obvious that the Foreign Office and the Ministry of Defence are sticking to their respective wording. The Secretary of State faithfully repeated both lots of wording from the Dispatch Box today, but the two are incompatible. The Government are obligated to take a public position on this major issue. They must sort themselves out and decide whether they are prepared for the ABM treaty to be modified to accommodate NMD.

On Fylingdales, there is a direct and inescapable British involvement in the NMD issue because, for NMD to proceed, including phase one, there will need to be a major software upgrade at Fylingdales. I thought that the Secretary of State was being disingenuous this afternoon

[Sir John Stanley]

when he said, blandly, from the Dispatch Box that we had received no approach from the United States about Fylingdales. The use of Fylingdales has been announced in any number of US Government press releases, and MOD and Foreign Office officials in Washington have been discussing with the US Administration the Fylingdales dimension. It would be surprising if they had not, given that it is in the public domain in the United States, as it is here. For the Secretary of State to say that we have received no approach and that, therefore, it is not an issue for us is not fair to the House.

Open and active dialogue is taking place now and the Government will have to decide whether they are prepared to tell the Americans that they cannot do the software upgrade, or that they will turn a blind eye while they get on with it, or that they can go ahead because it will be useful for us and will enable us to keep open the option of Europeanwide ballistic missile deployment. Those will be the policy issues and the Government cannot shirk them.

On biological weapons, I agree with what was said by the right hon. and learned Member for North-East Fife. As we move ahead in the 21st century, of the three forms of weapons of mass destruction—nuclear, chemical and biological—it is biological weapons that give me the greatest concern and fear for the future. As we all know, biological weapons are relatively easy to manufacture and are extremely difficult to detect. They have relative ease of delivery and their capacity to kill on a vast scale is appalling. On that issue, I believe that the Government have been right to be more explicit and detailed than any previous Government. It is a serious issue and although, understandably, successive previous Governments, both Conservative and Labour, have been worried about causing public anxiety, it is incumbent upon the Government, given the degree of risk, to say something officially about the dangers.

I need go no further than what the Foreign Secretary said in the context of Iraq in the paper that he placed in the Library on 4 February 1998. That unclassified paper said:

> One hundred kilogrammes of anthrax released from the top of a tall building in a densely populated area could kill up to three million people.

It is right and responsible for the Government to place such information in the public domain. It raises serious civil defence issues.

I was amazed when the Secretary of State said that home defence is no longer an issue. Perhaps he was thinking of the second world war Home Guard, but to suggest that the need for home defence has disappeared is, frankly, extraordinary. I hope that he will clarify what he meant.

The Parliamentary Under-Secretary of State for Defence (Dr. Lewis Moonie): If the right hon. Gentleman had listened a little more carefully, he would have realised that my right hon. Friend was talking about a large-scale conventional threat, which every defence expert recognises is no longer relevant.

Sir John Stanley: I am grateful for that clarification. That was the construction that I put on what the Secretary of State said, but it is extremely important that he and his Department appreciate that our armed forces have a great responsibility in the matter.

For obvious reasons, I do not expect any detail, but I hope that the Minister will assure the House that serious steps have been taken to provide the relevant elements of our armed forces with the training, specialist equipment and resources that will be needed to respond with total effectiveness should the civil authorities ever call for assistance because intelligence has been received that a biological attack on an urban part of this country is contemplated. I will fully understand if he responds only in general terms.

I very much welcome our ratification of the Ottawa convention, which built on the important preparatory work done under the previous Government, but the position is extremely unsatisfactory because none of the world's three largest holders of anti-personnel land mines—the United States, Russia and China—has yet ratified it. Following extensive discussions in the United States, I understand that the problem it has with ratifying stems from its concerns about the possible adverse implications for its anti-tank mines, which incorporate anti-personnel devices as a standard feature—as do runway denial weapons, in which our armed forces have an important capability.

I recently tabled a question to the Secretary of State asking whether we had any problem with signing the Ottawa convention in relation to either anti-tank mines or runway denial weapons. He said:

> In accordance with our obligations under the Ottawa Convention and the Landmines Act 1998, the Government's policy is not to use any weapon incorporating anti-personnel mines as defined in the Ottawa Convention. This obligation extends to airfield runway denial weapons and anti-tank land mines, and the UK does not retain stocks of any such weapons which contravene the Ottawa Convention.—[*Official Report*, 14 April 2000; Vol. 348, c. 295W.]

If the United Kingdom can sign up, why is it such a problem for the United States? It is a matter of some embarrassment that our major NATO partner has not so far been able to ratify the convention.

I fully understand that Ministers at the Dispatch Box are paid to put the best possible face on a situation, but I hope that the Secretary of State, in the privacy of his Department, is less complacent about the state of our defences in relation to our commitments than appeared from his speech today. The evidence is overwhelming that our forces are hugely overstretched and that there is real doubt whether, if a conflict of any intensity arose, they would have anything like sufficient resources to sustain combat effectiveness for any material length of time.

The amber light is flashing in terms of our defence capabilities, and it is high time that the Government recognised that.

4.57 pm

Ms Rachel Squire (Dunfermline, West): I shall endeavour to be brief, because several other hon. Members have been waiting some hours to catch your eye, Mr. Deputy Speaker.

The title of this debate is wide ranging. It is global in its reach, much like our armed forces. That is not to say that we have a regiment in every country in the world, but few countries have no presence of UK armed forces personnel acting in some capacity or other. I support the earlier comments by my right hon. Friend the Secretary of State and other hon. Members about the unarmed British soldier serving with the United Nations in Sierra Leone. I, too, hope that he and the others taken captive will be released safely.

I shall discuss a few domestic issues surrounding our armed forces and our defence policy, and then touch on a couple of issues of wider concern, including briefly on Europe and national missile defence, which have already been well covered. I wish also to say a little more about the vital aspect of developing the peacekeeping role of military and civilian organisations.

I start by paying tribute to our armed forces, because they are second to none. I am constantly reminded, in my contact with military and civilian personnel from other countries, just how highly regarded British armed forces are worldwide. One small indication of that high regard took place last month, when an RAF pilot, Flight Lieutenant Ian Walton, was presented with the Croix de Guerre by the French Government. That high honour was presented because of his heroic actions while serving with the French air force during the Kosovo crisis last year. It is the responsibility of every hon. Member and every citizen in the United Kingdom to do all that we can to maintain our armed forces' reputation by ensuring that they have the support, training and equipment they need to maintain high standards and morale.

As the Member of Parliament for a constituency that contains Crombie, HMS Caledonia and Rosyth dockyard, I pay tribute to all the civilian and service personnel involved in those establishments. As the representative of a constituency with a long naval and maritime tradition, I especially welcome the Government's announcement in the SDR that they are committed to the largest programme of new warship construction since the second world war. I put on record my welcome for the fact that military vessels will continue to be built by UK shipyards and that the vital importance of that shipbuilding capacity has been recognised. I want to see a future for our shipyards on the Clyde, in Northern Ireland and in England, and I trust that ship refitting work will continue to come to Rosyth dockyard in the future.

I welcome the establishment of the Defence Diversification Agency in its Scottish base at Rosyth. It is attached to the Defence Evaluation and Research Agency and I examined with great interest the Government's latest proposals for that agency and a public-private partnership. I take the points that hon. Members have already made about the importance of research, innovation and intelligence in future armed conflicts. I have already arranged to discuss the latest proposals with the highly skilled personnel at DERA in Rosyth, and I welcome the fact that the Government seem to have listened to some of the concerns about how the public-private partnership proposals could affect our special relationship with the US, in terms of research and development and intelligence work. I know that concerns have already been expressed by the Defence Committee on the latest proposals and I shall follow those with interest.

It is vital that we recognise the influence that our armed forces have in world affairs and peacekeeping. If we want Britain to continue to play a leading role in world affairs, we must ensure that our armed forces have the strength in numbers to remain a leading player in peacekeeping, defence diplomacy, crisis management and prevention, and the development of democratic, accountable and professional armed forces, especially in central and eastern Europe.

British armed forces have been essential to the success of the Partnership for Peace process that was developed through NATO. It has paid off time and again, particularly in the conflict in Bosnia-Herzegovina and later in Kosovo. It is worth noting that Partnership for Peace has extended co-operation to 25 non-NATO countries and is fostering contact in the defence support community. Developing co-operation with non-NATO countries in Europe that share NATO's objectives, and engaging them in political and military efforts help to promote Euro-Atlantic security and the enlargement of NATO and the EU.

One of the key ways in which British armed forces have promoted peace, security and democracy worldwide is through the British military advisory and training teams. I mention in particular the major training team initiative that is to be established in the Czech Republic this year and will be open to personnel from all countries of central and eastern Europe.

Let me turn to some of the challenges of peacekeeping. Kosovo has highlighted that it is not always easy exactly to define and draw lines between the roles of military and civilian personnel. Situations such as that in Kosovo involve a multitude of civilian and military organisations as well as various national commands and political interests. We are also trying to enforce and develop peace in a country that has never really had the civilian infrastructure of law and order that we take for granted. We have to continue to address that. I welcome the intention that the Government have flagged up in respect of creating a new centre of peacekeeping excellence where we can share our skills in peacekeeping with other countries.

As I have already been speaking for 10 minutes, let me briefly refer to the threats from terrorism, rogue states and nuclear, chemical and biological warfare. I agree with many of the remarks of the right hon. Member for Bridgwater (Mr. King) and my hon. Friend the Member for Dumbarton (Mr. McFall) and the importance that they place on British forces being a force for good.

Mention has also been made of the concern that co-operation between countries such as Iraq and Serbia could lead to the possible development of nuclear weapons. We all recognise the increasing risk from terrorists and extremist militia. It is only right that this debate is taking place in a week when we are finally seeing the start of the Lockerbie trial. Along with other hon. Members, let me express my deep sympathy to the families who experienced such a dreadful and unimaginable horror and outrage committed by terrorists from another country, and the hope that justice will be done.

The right hon. Member for Tonbridge and Malling (Sir J. Stanley) mentioned some recent examples of the smuggling of nuclear material in connection with Uzbekistan. There are real worries about the vulnerability of the former Soviet Union's nuclear stockpile to those who wish to develop illicit nuclear weapons. I hope that the Government will show that they are doing everything possible to encourage international regulation and policing of that material.

Concern has also been expressed about the volatility of the situation with regard to North Korea. Only last year, it seemed to be threatening to rain destruction on neighbouring states, yet it could just as easily descend into violent internal upheaval. The reading that I have done

[Ms Rachel Squire]

included the beneficial reminder that the demilitarised zone between the Republic of Korea and North Korea is now the world's most heavily fortified border, and that 37,000 US troops are still stationed there.

On national missile defence, I can understand the great unease felt in the US about the possibility that rogue states, such as North Korea and others, could mount an attack. However, I support the comments made by my hon. Friend the Member for Swansea, East (Mr. Anderson) and by the right hon. and learned Member for North-East Fife (Mr. Campbell), who were worried that the development of NMD could set back some of the more positive recent initiatives, such as Russia's ratification of the comprehensive test ban treaty and of START 2.

Another positive move has been the welcome announcement by North Korea and the Republic of Korea that they will seek to hold a summit next month to discuss peace and reconciliation. It is clear, therefore, that many issues need to be finely balanced.

We have had a very useful debate on the development of a European security and defence identity and of a common European foreign and security policy. Those matters have been well set out by the right hon. and learned Member for North-East Fife and by my hon. Friend the Member for Swansea, East. I shall not go over them again, but I sincerely believe that America is right to demand that—to put the matter bluntly—Europe should put its money where its mouth is and increase its defence capability. If we can deliver on that, I hope that it will strengthen the US-European alliance and NATO.

In 1948, Winston Churchill said that no foreign policy can have validity if there is no adequate force behind it and no national readiness to make the necessary sacrifices to produce that force. Some things have not changed, and I hope that all Government Departments will recognise the importance of that statement. In the 21st century, we have great opportunities and responsibilities. What we achieve in Britain and Europe can be a force for good in the world, and I hope that the Government will be a leading partner. I want Europe to be strong, but committed to economic reform, social justice and security in the 21st century.

That would mark the dawning of a new age and would be a fitting tribute to the millions in the previous century who lost their lives fighting for the peace, freedom and justice that we tend, all too often, to take for granted.

5.14 pm

Sir Geoffrey Johnson Smith (Wealden): I agree with much that was said by the hon. Member for Dunfermline, West (Ms Squire). I shall refer to some of her comments later—especially those on the training of soldiers in peacekeeping.

I am wearing my gunner tie as a signal to Members on the Treasury Bench—although I do not intend to aim any pot shots at them. I hope to range widely and constructively in the true tradition of an artillery man.

We must acknowledge that the European security and defence identity is a sensitive issue. I do not propose to scrub it. I am not a Europhobe, but there are genuine reasons why we should be careful that such initiatives on the continent of Europe—taken by members of the European Union—do not undermine the solidarity of NATO.

I am an Atlanticist; I believe that the strength of NATO is fundamental. Europe should play its proper part; it should not decouple its effort. If that were to occur, it would undermine the basis of the defence structure that has helped to keep the peace during the most difficult period in modern history and that will help to contain the peace and the wider security of the world in the future. To allow that relationship to be destroyed or undermined on political grounds would be wrong.

We hear many conflicting statements on that matter from people on the continent, as I have discovered in the course of my NATO and parliamentary work. Some of those statements are most alarming. We should make no mistake about that. Many people envy America; they want a separate chain of command and want gradually to make that a reality by building up their forces.

Nothing is more certain than uncertainty—as we have been reminded during the debate. I shall concentrate on two aspects of the post-cold war period that have led to new threats to our security. The first is the growth in missiles, which has been much discussed.

In a previous debate, my hon. Friend the Member for Bournemouth, East (Mr. Atkinson), who is a rapporteur for the Western European Union Assembly, drew our attention to his report on transatlantic co-operation on ballistic missile defence. He referred in some detail to the threats posed by countries such as Iraq and Iran, which possess that capability. Furthermore, about 35 non-NATO countries also have ballistic missiles—18 of them are capable of installing nuclear, biological, chemical and radiological warheads.

As a nation that suffered from the use of Exocet missiles during the Falklands war, we should be especially conscious of the fact that such missiles pose a new and growing threat. Action must be taken. Cruise missiles are already possessed by 67 countries. We must realise that such missiles, in the hands of countries outside NATO, bring the capital cities of western Europe within the range of those countries—including Libya and the others that I mentioned. We should also bear in mind that China has stolen much of the technology of the United States.

It is useless to pretend that the situation remains as it was when the anti-ballistic missile treaty was signed and when we began START 1, 2 and 3. There has been a change. It is only sensible to have regard for the concerns expressed by our American allies and friends.

Recently, Mr. Solana, formerly the Secretary-General of NATO, who now holds a position in the EU, said:

> If we were not to be defended by the United States, that may risk the beginning of "decoupling".

He pointed out that the American national missile defence system must not "strain trans-Atlantic links" nor provoke a "major crisis with Russia". Fair enough—of course it must not, but that is why we are concerned.

Although it has not been reported here, the United States has made it clear to the former Soviet Union that, if national missile defence were to be installed in the United States and extended to Europe, the former Soviet Union could benefit from such an arrangement as the facilities could be provided to it as well. It is a highly debatable and emotional issue, but we do not want the

initiative to spoil the Atlantic alliance. Therefore, we should treat with respect the concerns of our American allies.

Another aspect of the crisis was not anticipated when the cold war ended. It has nothing to do with what I have just said, but concerns matters such as trade wars. The United States and the European Union are engaged in a trade war of a kind and, on more than one occasion, relationships have been severely strained. This aspect of the problem may also explain why the streets of London were visited by—words fail me when I try to describe them—those who despoiled the statue of Winston Churchill, marched up Whitehall and destroyed some shops at the end of it. It is hard to believe that such people could take the law into their own hands—I do not condone them for a moment—on an issue such as trade wars or on the economic difficulties that developing countries in Asia and elsewhere are experiencing. However, some countries do not believe that they have been treated as well as they should have been by western business institutions, such as the International Monetary Fund, which has assumed greater and new responsibilities and found itself in the business of doling out advice on banking, privatisation and taxes. Its mandate has accordingly expanded well beyond balance-of-payments issues.

The World Bank—which has also been a source of protests in Seattle and elsewhere—has also made corporate governance, corrupt governance and corruption its top priorities, so the relationship between developed countries and undeveloped and poorer countries has been extended in that way. Therefore, when the improvement in the economies of those countries declines, corruption increases and poverty does not seem to be alleviated, it is little wonder that they put the blame on the western institutions which they believe are mainly at fault. We can deny that and I certainly would. However, one can understand that, if the export of capitalism as they understand it is linked to the growing recession and corruption in those countries, it is only too easy to blame the west.

The development of a global economy therefore will pose new risks to our security as well as that of undeveloped countries unless it is handled tactfully, properly and honourably. Should there be an outbreak of disorder in such countries, we should be able to help to stabilise those areas. That can be done. First, if there is likely to be an outbreak of serious military disturbance, we should respond quickly. That means not only using military force to help the Government who are in office from being subverted, but recognising the threat so that units of what we would describe as the police forces of the countries concerned can be deployed.

As I know from personal experience—the hon. Member for Dunfermline, West referred to this—the training of British troops for peacekeeping duties is first class. I doubt whether any nation has spent so much time and trouble ensuring that such a degree of confidence can be held in its military arm when it is patrolling a foreign town or village. When people see our troops wearing their uniform, carrying a rifle or travelling in an armoured vehicle, they are confident that our forces will not pull the trigger or run over the kids or old ladies trying to cross the street.

Our forces are capable of great restraint. They are capable of doing things that a soldier would not be expected to perform—for example, helping someone across a street. Some soldiers would not consider that to be part of their duties. They are prepared to carry food and things of that sort. These humane qualities are engrained in the training of a British soldier, who will recognise that there are those occasions in areas of great disturbance when he should behave more like a friendly policeman. We know, however, that a friendly policeman cannot do the soldier's job. At the same time, there are police forces that are well trained when we are not so concerned with the application of military force. For example, the gendarmerie of France and the carabinieri of Italy have quasi-military training.

If we are to reduce the stress and the stretch on our forces when they are involved in peacekeeping or peacemaking activities—especially peacekeeping—we should recognise that they can and should be reinforced by police from our reserves and resources who are trained to deal with situations in foreign countries. It is something that deserves more attention.

We are facing more responsibilities ourselves. We are placing the burden on our defence forces and running into trouble far too quickly when disturbances result from trade disputes, rather than giving competence to the afflicted Government concerned, because we do not have forces that can respond as necessary before the troubles turn into outright conflict of a military sort. I am talking about the sort of problem that we used to understand when we faced it in some of our former colonies.

That is why I respect the view of the hon. Member for Dumbarton (Mr. McFall) when he said that we should devote more of our time internationally to seeing whether we can get agreement on the sort of forces that we deploy and how quickly they can be deployed. If these matters are not dealt with thoroughly and humanely, they will lead to more insurrection and more trouble, which will threaten the security of the countries concerned and of the United Kingdom.

This is one way in which we can begin to restore confidence with Russia. There were moments during the Kosovo conflict when things looked rather hairy. There have also been moments when a mutual trust has been engendered, certainly at military level. I noticed that at NATO headquarters. The trouble is that that trust is not extended to the Duma. It is in those areas of joint arrangements with Russia—in matters of peacekeeping, peacemaking and trade—that we can begin to sow the seeds of mutual confidence that has been lacking so far. It is vital that we do so in the next few years if we are to arrive at greater understanding.

5.29 pm

Mr. Malcolm Savidge (Aberdeen, North): The strategic defence review correctly tried to base defence policy on foreign policy—we could hardly have a better expression of intent in the present world than the one given by my right hon. Friend the Secretary of State for Defence—on making the world a better and safer place. Central to that is the question of weapons of mass destruction. It is an issue of enormous importance and it is pleasing that the Select Committee on Foreign Affairs is considering it. We have had the benefit from that in the valuable contributions to the debate from my hon. Friend the Member for Swansea, East (Mr. Anderson) and from the right hon. Member for Tonbridge and Malling (Sir J. Stanley).

[Mr. Malcolm Savidge]

It is clear that the basis of the Government's policy on weapons of mass destruction is that of arms control. For example, there is our commitment to the test ban treaty, nuclear safeguards, biological and chemical weapons conventions, the nuclear non-proliferation treaty, START 3 and our commitment to enter into an arms reduction process when we feel it appropriate to do so. In response to a remark by the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), the shadow Secretary of State for Defence, my memory of what my hon. Friend the Minister of State, Foreign and Commonwealth Office said on 24 January was that he reiterated that basic policy. It is a policy that probably is the subject of general agreement or consensus on both sides of the House.

In this brief contribution I want to concentrate on one vital issue, which I believe could undermine that policy. That issue, which has been repeatedly referred to, is national missile defence. I suspect that there may be divergent views within parties on both sides of the House, and hon. Members' remarks have hinted at that. It is correct for us to debate that subject because although it could be said to be a matter for the United States—and for Russia, in that it may affect the anti-ballistic missile treaty, which was originally a bilateral treaty between the United States and the Soviet Union—I believe that there are legitimate concerns for Britain. I shall give three main reasons for that.

First, there are legitimate concerns that NMD could undermine our whole arms control posture. Secondly, Britain obviously could be used as a surveillance base at Menwith and Fylingdales. In addition, *The Sunday Times* made the suggestion, although I do not know whether it has any foundation, that we might be requested to have interceptor launch sites in British territory. Thirdly, as the Defence Secretary has said, there is the possibility of Britain or NATO looking at the feasibility of missile defence.

The United States says that it is acquiring the system because of the risk posed by rogue states, namely the danger of unstable dictators acquiring nuclear, biological or chemical weapons and rocket delivery systems. At present, there are almost certainly some states that we would class in that category which have or are close to obtaining crude forms of nuclear weapons and, possibly, crude delivery systems. One thinks particularly of present information about North Korea.

Some people in the United States have suggested that those nations have missiles that are capable of long-distance flights, but I think that it is questionable. Given that crude nuclear weapons tend to be heavy, it is reasonable to doubt that crude delivery systems would be capable of delivering them. Clearly, however, it is possible to imagine that within the next decade or so, some of those states could develop more sophisticated systems.

Even if we were to reach a situation in which one of those states was able to launch crude but probably untested nuclear weapons on crude but probably untested rocket delivery systems, should we, as the right hon. and learned Member for North-East Fife (Mr. Campbell) suggested, believe that they would readily attempt to attack the United States and would not be deterred by the knowledge that the US possesses several thousand such missiles? When the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) was pressing his point about the dangers posed by such states, he seemed to be implying that no deterrent exists in the United States or other members of NATO.

To launch such an attack would be suicidal. Can one rule out the possibility that a suicidal maniac could gain control of nuclear weapons? No, one cannot, but in a world where nuclear weapons have been invented, there is no such thing as absolute security. We have to live with different balances and levels of risk. What frightens me in this case is that we may, out of fear of wanting to counter one threat, increase a greater and more dangerous threat without removing the original threat.

Even if NMD proves to be technologically possible, which is still questionable, it will, as has already been said, provide no protection against the device brought into a country on a lorry, by boat or in a suitcase. Such a device could be used not only by a rogue state, but by a terrorist organisation against which deterrence would not be feasible.

The concern about NMD is that it could undermine the anti-ballistic missile treaty, particularly, as the right hon. Member for Tonbridge and Malling (Sir J. Stanley) indicated, if phase 2 is introduced. However, even phase 1 could undermine the treaty.

There is concern about the views expressed by some defence commentators in the United States, especially right-wing members of the Republican party—the people who are sometimes described as unilateralists or aggressive isolationists. They have said that they would be prepared unilaterally to abrogate the ABM treaty. If they did so, they would undermine both the basis for all treaties and all confidence and trust in the United States—especially if a Republican Administration reneged on a treaty that was originally introduced by a Republican president, Richard Nixon. If it happened, there would have to be grave concern that Russia and China would believe that NMD was directed not at rogue states but at themselves. They would cease to believe any promises that were made, because if one Administration could renege on another's promises, how could they be sure that future Administrations would not do the same?

We could end up involved, once again, in a dangerous arms race. As the shadow Defence Secretary said, nuclear proliferation is already frightening; it would become far more worrying if it were to accelerate. I am surprised that, when talking about the 1980s, the hon. Gentleman did not think of another lesson from that time. At the time the Americans were considering SDI—the strategic defence initiative—Baroness Thatcher and Lord Howe argued that it would be dangerous, precisely because it would undermine the entire arms control regime.

In that context, I was relieved when, yesterday, during the nuclear non-proliferation review conference, the five recognised nuclear states—the five permanent members of the United Nations Security Council—issued a joint statement in which they stated their belief in preserving and strengthening the ABM treaty. I trust that that implies that the current US Administration are committed at least to negotiating with Russia on an ABM treaty before considering the introduction of NMD.

Even if that were to be done, I hope that serious consideration would be given to Chinese perceptions: there are clear indications that China is gravely concerned

about the threat of NMD and is considering the possibility of increasing its nuclear stockpiles. I hope that the views of all other states would be taken into account. It is noticeable that, at the nuclear non-proliferation treaty discussions, the vast majority of states have expressed concern about NMD. NMD is not worth while if all it does is create destabilisation and thereby reduces our safety.

My hon. Friend the Member for Swansea, East asked what if the Americans were to go ahead with NMD without ensuring that the arms control regime was preserved? What should Britain's response to our American allies be if they start asking us for either the use of surveillance posts, or launch pads for interceptor missiles? In the first instance, that might appear to be an extremely unattractive bargain: remember, national missile defence is so called because it was intended only to provide cover for the United States of America.

Even though, when the hon. Member for Chingford and Woodford Green suggested that North Korea would be wildly keen to attack the United Kingdom with nuclear weapons, one has to wonder why North Korea—or any other state that is feared to have developed nuclear capability—should be keen to do so. One must acknowledge that, if we were to help with NMD, the risk of the areas involved becoming targets would clearly be increased. Therefore, helping might be a rather unattractive option for the north of Yorkshire.

Of course, the United States might offer to extend the cover of NMD to Britain, or that there would be additional jobs created in the localities, or that lucrative contracts might benefit other parts of Britain. When the hon. Member for Ruislip-Northwood (Mr. Wilkinson) spoke of operational and commercial benefits, that might have been what he meant. However, it would be a poor deal if we were trading off against such benefits the safety of our people and our planet.

Would NMD work? The past record of interception systems is poor. We all remember George Bush saying—I do not recall the exact numbers, so I will guess at them—that the Patriot missiles managed to down 41 out of 43 Scuds. Later, a congressional inquiry suggested that the number downed was much lower. No clear evidence could be produced that even one Scud had been successfully intercepted. The U.S. Defence Department said that it had managed to get its missiles to explode near the Scuds, even if it did not manage to bring them down. In the event of an in-coming nuclear missile, I would find that rather cold comfort.

So far, the tests that have been done on national missile defence have been unsuccessful. It is thought that the only successful interception occurred by a fluke. The main first series of tests will not close before 2001. My right hon. Friend the Secretary of State was right to say that the matter should be subject to "calm and measured debate".

I fear, however, that as my hon. Friend the Member for Swansea, East suggested, that is not happening in the US at present. Instead, there is hype, vested interests, what Eisenhower called the military-industrial complex, the possibility of multimillion dollar contracts, and the possibility of pork barrel politics, during a period of election campaigning. That is a dangerous time and a dangerous way for these matters to be discussed.

I realise that the influence that the United Kingdom can have on the United States is limited, and that private rather than megaphone diplomacy is needed. The point made by the right hon. Member for Bridgwater (Mr. King) that we can be "critical and constructive partners" was valid. I hope that we will try to use what influence we can on the United States to discourage precipitate action on the matter, and to encourage the "calm and measured" debate to which the Secretary of State referred.

The dangers from proliferation are vast and real. It is tempting to think that there can be some simple, single, magical, technological solution, but I fear that it is a complex issue, where solutions may be complex, multiple, mostly diplomatic and highly imperfect. In a world where nuclear weapons cannot be disinvented, absolute security may no longer be possible. In trying to pursue the dream of absolute security, it would be folly to throw away the only real, albeit limited and tenuous, security that we have.

5.42 pm

Mr. John Wilkinson (Ruislip-Northwood): We have had a timely debate, if not a well-timed one, as the pre-occupations of most hon. Members are understandably elsewhere. However, the debate is timely in view of the situation around the globe, which makes it plain that the use of military power or the threat of its application is still a key determinant in human affairs.

We see that in the case of Northern Ireland. Our Prime Minister is over in Belfast and must spend a great deal of time on the so-called peace process because the continued possession of armaments by the Irish Republican Army has thwarted the devolution process in a part of our own kingdom. We have seen the application of systematic military power in Chechnya and scorched earth tactics employed by the Russian Federation. We have seen the sabre-rattling against the Taiwanese by the People's Republic of China, and Muslim insurgency in the Philippines currently affecting western tourists.

There is tension and conflict in Kashmir and civil war in the Congo. The situation in Iraq is such that we have to maintain no-fly zones over the northern and southern parts of that country. There are British nationals at risk in Zimbabwe, whom it may become necessary to extricate.

If we look at the scene around the world, it is clearly crucial for the United Kingdom to maintain a war-fighting capability. Anything less would be wholly irresponsible. I am glad that the Secretary of State for Defence laid emphasis on three aspects of our global commitments. He emphasised the need, first, for expeditionary warfare capability, secondly, for a capacity to conduct effective coalition operations, and, thirdly, for the European defence initiative, about which we can argue for some time to come.

The European Helsinki council target to be able to put into the field between 50,000 and 60,000 men by the year 2003, to be deployable within a time scale of two or three months, inspires no confidence. Every major crisis in recent years has required the application of military force at the crucial point in a much shorter time scale. There is no sign that the European countries are prepared to make the dispositions either of men, material or resources to make valid the commitment that was undertaken at Helsinki.

In this connection, it is more crucial than ever that this intergovernmental commitment, as it was rightly described by the Secretary of State, should be underpinned by a European defence and security assembly, which is

[Mr. John Wilkinson]

intergovernmental in its nature in as much as its members are drawn from national Parliaments and able to put pressure on their national Governments.

Therefore, following the unanimous decision of the WEU Assembly in Lisbon that the European defence and security assembly should continue in an interim form on the basis of the WEU Assembly, I hope that Her Majesty's Government will explicitly, clearly and unequivocally support the wish of the WEU Assembly to see itself transformed into the European defence and security assembly, and that the role should not be usurped by the European Parliament on the one hand, or just forgotten on the other.

Many hon. Members in today's debate have correctly stressed the importance of sustainability in operations around the world, and they have cited, for example, the National Audit Office's report on the situation in the Kosovo war when our air forces very nearly ran out of ordnance. If anything can clearly be seen, it is that in the future such overseas operations will have an element of unpredictability with which to contend.

Take the state of affairs today when no fewer than 44 Royal Navy Lynx and 21 Army Lynx helicopters have had to be grounded because of fatigue in the rotor heads. In the Gulf war, sand filters had to be installed in the engines of the Lynx helicopters to enable them to operate in the terrain. Also in the Gulf war, the serviceability rate of the Challenger 1 tanks' engines was abysmal.

We should also remember the effect of delays on entry into service. For example, the delay in the mid-life update of the Tornado led to Harrier aircraft having to be used in the initial stages of the Kosovo war when the preference would have been for Tornados.

If we plan for a logistic support system based on the principle of just-in-time, the likelihood is that, in reality, it will be just too late for the armed forces in the field to obtain the spares and the supplies that they so badly need.

I understand the rationale for the Treasury to require a second look at certain key procurement programmes. As has been argued in the debate, with such small armed forces at our disposition in the UK, it will be crucial for expeditionary warfare to be conducted effectively that they be properly equipped.

Big decisions have been put on hold—in particular the SDR commitment for the Royal Air Force to obtain a short-term heavy lift capacity. The Antonov 124/100 aircraft offers twice the payload and twice the fuselage volume at half the price of the American C-17.

To put it simply, one Antonov 124/100 aircraft took the four Puma helicopters to southern Africa to deal with the emergency caused by the Mozambique floods in one sortie. The operation would have required two C-17s. The cost of chartering the Antonov aircraft was just over £200,000; it would probably have cost more than £1 million to charter two C-17s from the United States air force. The cost-effectiveness as well as the capability advantages of the Antonov are therefore significant, especially in view of the future pressures on the defence budgets that we can already foretell.

Those pressures will have to be tackled at a time when defence expenditure is unlikely to increase in line with inflation. Continuing cuts in real-terms defence expenditure are likely. It is difficult to envisage the Treasury abandoning the efficiency savings that it is currently imposing on the Ministry of Defence.

It is crucial that big procurement decisions on heavy lift and the air-to-air missile for the Eurofighter are carefully assessed and wisely made. The Treasury is right to ask for reconsideration of both programmes. An incremental development programme for the air-to-air missile for the Eurofighter was part of the smart procurement process. Hence the attraction of the Raytheon missile, based on enhancement of the existing advanced medium-range air-to-air missile, as opposed to the more futuristic—and perhaps riskier—Meteor missile. It is especially attractive given the gap between the entry into service of the Eurofighter in about 2005 and the availability of an effective air-to-air missile for it. The gap is wider in the case of Meteor than in that of Raytheon. We are therefore considering important decisions.

We must also be aware of the overall context of the industrial policy in which decisions are made. The Treasury has provided £500 million of launch aid for the A3XX airbus. This is the biggest single example of such loan finance in recent years. Is it wise to invest more development funding in the A400M military version of the airbus when the C-130J is coming into service? A second tranche of C-130Js could be procured at a much lower cost than the A400M airbus. That would enable Royal Air Force expeditionary operations to field two types of aircraft.

The Antonov could be flown by Air Foyle or a similar civil operator with reservist crews, with the aircraft on a military register—or not, as required. It can be backed up by the C-130J. A two-ship fleet is logistically much easier to support than a fleet with more types of transport aircraft. The cost-effectiveness benefit needs to be weighed, and I am glad that the Treasury is doing that.

Many equipment systems are crucial to the United Kingdom's capability to engage in expeditionary operations around the world. For example, the Commando Sea Kings need to be replaced for the Royal Marines and a new support helicopter is needed for the Royal Air Force to replace the Puma. I hope that, now we have a Joint Helicopter Command, the same type will fulfil both roles. In a rational world the EH-101 Merlin would do so because the V22 Osprey will cost £40 million. After the latest fatal accident in the United States, it is likely that the Osprey will be delayed further and that the cost of rectification measures will increase its price even more.

Eventually, we shall need a dedicated anti-tank helicopter for the commando brigade, which is losing that integral capability because its Lynxes are going. Supposedly, Apaches from the Army Air Corps will be available, but the aircraft are not marinised and there could be a conflict of interest when the Marines or the Royal Navy need an anti-tank capability for amphibious operations because the generals and the Army Air Corps are likely to say something different.

I argue most strongly for Her Majesty's Government to put the flesh on the bones of the expeditionary warfare strategy set out in the strategic defence review. The objective is clear; the trouble is that they have neither willed the means nor applied the intellectual resources to make the strategy effective.

5.56 pm

Mr. Tam Dalyell (Linlithgow): The point was made about five hours ago that this is the wrong day on which to hold such an important debate because local elections are taking place.

Sir Geoffrey Johnson Smith: Hear, hear.

Mr. Dalyell: The right hon. Gentleman says, "Hear, hear." Curiously, I disagree. I have attended defence debates for 38 years—since my right hon. Friend the Secretary of State was in his pram—and I have rarely listened to such a thoughtful and interesting discussion. I do not complain about the length of the speeches, although I suffer because of that, as Members gave way and said what they thought. This has been a thoroughly worthwhile afternoon. However, I fear that I must truncate my thoughts to a question: are we sure that our forces have sufficient training in a police role to cope with a situation such as Kosovo?

I need not tell my hon. Friend the Minister that soldiers are not policemen. There is a problem here, and the nub of the matter is that there are at least 280,000 Serb refugees from Kosovo. The official Belgrade figure is 350,000. I am told by Radomir Putnikovich and others, who saw those people last week, that they are living in absolutely appalling conditions outside Belgrade and have one hot meal a day, if they are lucky. I was in Serbia in September with my hon. Friend the Member for Halifax (Mrs. Mahon), who has since made another visit with my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews). This is a human problem and the only way to resolve it is to allow the refugees back into Kosovo. However, they cannot return at the moment.

My hon. Friend the Minister will correct me if I am wrong, but I understand that the Kosovo Liberation Army has got its way and is in control of the situation. What is happening to United Nations resolution 1244? What safety is being provided by all those KFOR resources for non-Albanian peoples such as the Roma, the Serbs and the gypsies and, indeed, for Albanians who have in any way fallen foul of the KLA and are less then enthusiastic about it? It is extraordinary: we have put in all those dedicated troops, but how much can they do?

Specifically, although I do not expect my hon. Friend to answer tonight, will he turn his attention to what happened on 17 April at the village of Bijelo Polje, which was razed to the ground? According to the information that we have, 237 Serbs were slaughtered in appalling circumstances.

What have our forces been able to do? I hasten to say that that is not an implied criticism of the forces. It so happens that the regiment in which I did my national service, and with which I have maintained friendly contacts for all these years, is at the sharp end. I do not claim that the information is anything more than anecdotal, and certainly there has been no impropriety; but there is a problem. How is it possible to create the conditions for achievement of the objective for which the west went to war—namely, an end to ethnic cleansing?

I think it behoves us all to be constructive. Because my speech must be truncated, I will leave it at this. Some of us think that the only way forward is the establishment of a peace and reconciliation commission such as the one that produced such marvellous results in South Africa. In the view of a Norwegian professor who addressed a large meeting in this building last night organised by some of us, we shall otherwise have to wait for 134 years—that being the average time for which Ottoman Turks and the other conquerors held the area. How long has NATO to stay there? I suspect that it will stay there not just for my lifetime, but for the lifetime of the youngest Member in the Chamber. That is the nature of the commitment.

Having been to Bosnia two years ago, and having opposed—along with Julian Amery—any involvement in Yugoslavia, I must say now that it would be irresponsible to withdraw, because we know the bloodbath that would ensue. Indeed, it would be irresponsible not to have heavy armour there, because otherwise some of our soldiers would be taken hostage, as a number of sappers were. I do not pretend that there is any easy answer, but a real problem is involved in expecting soldiers—however talented they may be in their profession—to move to another very difficult profession, and become policemen in a deeply unstable and mutually hostile society.

6.3 pm

Mr. Nicholas Soames (Mid-Sussex): I entirely endorse what has been said by the hon. Member for Linlithgow (Mr. Dalyell). Soldiers are not policemen, and their position is extremely difficult in the areas that he mentioned. Today, the hon. Gentleman's regiment announced that it is pursuing an initiative begun by my regiment in Bosnia, and is reverting to type like a ponticum rhododendron. It is seizing 15 local horses, on which it will police the more difficult hinterland in its area of responsibility. I am glad that the Greys are returning to their roots.

When I went to Bosnia in 1995, I asked a senior warrant officer how he felt that the mission was likely to go. He said, "It has all the smell of Cyprus." We have been in Cyprus for years, and there is still no possibility of our leaving. I fear that the same will apply to Bosnia, and to Kosovo.

I will be brief, and I apologise for having missed some of the Secretary of State's speech. I have already apologised to him. This has been an interesting and thoughtful debate; I want to speak only about money, and the resources required by the Ministry of Defence. Before that, however, I wish to pay tribute—as a former Minister for the Armed Forces—to the service men and women in all three forces and their families, to the civilians who are involved in sustaining and supporting our armed forces, and, in particular, to organisations such as the British Legion, the Soldiers, Sailors and Airmens Association, and a smaller organisation called Home Start, which has recently done marvellous work with families that find themselves hard pressed and up against it. It does a great deal to help with some of the difficulties that service families face.

As you know, Mr. Deputy Speaker, the strategic defence review was generally well received, but, at the time, I and many other Conservative Members remained, rightly, unconvinced—as my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) and other members of his defence team have often said—of its foreign policy base line. We were proved to be correct. Indeed, its assessments have proved to be wildly optimistic.

What we can say about the SDR is that it provided a blueprint for the future. One does not expect such look-forward documents to get everything right, but it

[Mr. Nicholas Soames]

provided a blueprint. The services, as they always do, signed up to it with enthusiasm and approached the business in hand with verve. However, if the SDR is not delivered pretty much in its entirety—clearly, it cannot possibly be delivered in full; nothing ever is—the armed forces will become even more sceptical than they already are. New equipment is being delayed unacceptably. Exercises are being cancelled and, at present levels, the Ministry of Defence simply cannot afford to fund the SDR.

The problem does not lie with the MOD. I am sure that the heart of the Secretary of State for Defence, the Under-Secretary of State for Defence and his colleagues is in the right place. I am sure that the Prime Minister's heart is in the right place. Indeed, I have discussed the matter with him privately and I know that it is. The problem lies not with them but with the Treasury, which, as I have had cause to remark to the House before, works not for the British Government but, as we all know, for the Russians.

The Treasury continues, in its ignorant and dismissive way, to be totally careless of the claims of defence on the public purse. I want the Minister to understand that the position that the Department is in now is exactly the same as that in 1997 when the previous Government were in office: both the then Prime Minister and the Secretary of State for Defence were absolutely in favour of getting more money for defence, but the Treasury won the day.

We are at a position where the MOD cannot continue to operate at that level of funding. If that is not sorted out with a more reasonable and sensible budget and with a clear ability to secure further resources, which the incoming Government after the next election will also have to commit to, our armed forces will become less capable, less efficient and less well trained.

I hear it regularly said among senior commanders that the forces are not as well trained as they were before the Gulf war. That is probably true. The danger for the armed forces is clear: once we begin to lose capability, it takes years to get it back. One of the SDR's key assumptions was that we would retain the capability to take part in high-intensity land battle. As, I hope, the Minister understands, that is essential even on peacekeeping operations.

The reason why British forces are so respected and admired on peacekeeping operations—I discovered it when I went to the MOD and when peacekeeping by the British Army was in its infancy—is because our soldiers, airmen and sailors have been so astonishingly well trained and are so disciplined, understanding and confident in their tasks. Peacekeeping is not an easy matter, but it is much less difficult than it might have been.

The Army has a good saying: "Train hard, fight easy." We have to be able to deliver troops ready for any type of operation, not just peacekeeping.

If the money is not made available, we run the risk that those qualities will go, and that with them will go the tremendous confidence that troops have in the ability to fight at the high-intensity end of the spectrum. Confidence is absolutely vital, but it is beginning to become worn, and not only in terms of training. My hon. Friends the Members for Chingford and Woodford Green and for Ruislip-Northwood (Mr. Wilkinson) and my right hon. Friend the Member for Wealden (Sir G. Johnson Smith) have all talked about sustainability. If soldiers go into action not completely sure that everything that they need will be there to back them up, that query of confidence will lurk in their minds and they will not perform as they could.

I beg the Minister to understand that a number of senior commanders, in all three services, are anxious about the erosion of training standards and the potential consequences that flow from it. A catalogue of exercises is being cancelled. I noted that, last year, one of the Medicine Man exercises, in Canada, was cancelled.

Medicine Man is the type of training that the British Army most needs: formation training in the most realistic circumstances, in near-battlefield conditions. It is very bad news that, because of commitments that they had to undertake, a formation could not participate in one of the Medicine Man operations. Not only is that wasteful of the resources that we retain in Canada, but it is astonishingly bad news both for the soldiers who participate in the exercises and for the commanders who get a chance to exercise at brigade formation the type of skills that they will need on the battlefield. The potential consequences flowing from such matters are very serious indeed. Such matters have implications for morale, retention and, above all, fighting effectiveness.

I should be grateful if the Minister would pass this to the Secretary of State: the Secretary of State must not let the Treasury be a party to the wanton destruction of one of the greatest and most effective institutions in the land. The services have had to cope with the most astonishing amount of change, under not only the previous Government but the current one. The services always come through in such situations and get on with it. They have a horror of the modern contemporary civilian, of whingeing and whining, and of saying that they cannot do it. They just get on and do it. There is, however, a limit beyond which they cannot deliver what they are being asked to do.

If further resources are not forthcoming, the fighting effectiveness of all three services may be gravely undermined, and the quality of activity that we can bring to the world in the cause of peace may be diminished.

6.13 pm

Mr. Robert Key (Salisbury): I share the view of the hon. Member for Linlithgow (Mr. Dalyell) that this has been a remarkable debate, despite the fact that not a single member of the Select Committee on Defence attended it. I very much regret that absence, but have to point out that those people would not have had much of a look-in. We have run a full day's defence debate without them, and listened to very many valuable speeches.

As usual, not a single member of the Scottish National party has attended the debate. Perhaps even more significant, however, is the fact that the Government managed to field in this defence debate not one Labour Back Bencher representing an English constituency. When I consider the hundreds of thousands of people in the defence industry work force—let alone all the members of the forces—who are represented by Labour Members, I regret very much that none of those Members attended the debate. However, their absence makes doubly important the contribution of my hon. Friends.

We started with the speech of the hon. Member for Dumbarton (Mr. McFall), who made an interesting speech on behalf of his constituents. But how can he continue to

support the cuts that the Government are making to the defence budget? He speaks as if only the Labour party in Scotland will save the day, but I suspect that his constituents may think differently when they see ever more defence cuts piled on the Ministry of Defence.

My right hon. Friend the Member for Bridgwater (Mr. King), with his wise words, made a hugely significant contribution. I should like to take up his point about the SDR being foreign policy driven, and the importance of the Foreign and Commonwealth Office. Only a few months ago, the FCO asked its ambassadors around the world where they thought the hot spots might be. I understand that the FCO thought that there would be about seven in the world. In fact, there were about 53. I agree with my right hon. Friend about not necessarily relying wholly on the advice of the FCO on defence matters.

The right hon. and learned Member for North-East Fife (Mr. Campbell) made his customary erudite speech on a wide range of issues. I wholly endorse his comments about the indecision in the procurement of important equipment for all our forces, including Typhoon missiles, C-17s and roll on/roll off ferries. They are all fundamental issues. I know that the Minister is as frustrated as we are that he cannot announce decisions. I suspect that it is not his fault. As my hon. Friend the Member for Mid–Sussex (Mr. Soames) pointed out, the Treasury is to blame.

The hon. Member for Swansea, East (Mr. Anderson) gave us a personal testament borne of long experience, which we were glad to hear. My right hon. Friend the Member for Tonbridge and Malling (Sir J. Stanley) made an important point about biological weapons. His other three points were important, but I have time to concentrate on only one. He is right to say that that is the greatest concern that we face, and I say that as the Member of Parliament representing Porton Down.

My right hon. Friend said that the Government had been more open than previous Governments. In one sense he is right and in another he is wrong. He is wrong if he thinks that we should be beguiled by the little purple publication issued last year about the Government's plans for chemical and biological defence, because it contained nothing new. It was a useful compendium of existing Government policy. He was right to argue that we need a more open and adult approach towards educating the British public about the need for our nation to be better prepared for such events. I called for that from this Dispatch Box a couple of years ago and I hope that we will move down that path. In our mature democracy, we have the right climate to discuss these issues sensibly, without the mass hysteria that could occur from an irresponsible presentation of these issues.

The hon. Member for Dunfermline, West (Ms Squire) made an important contribution about Rosyth, DERA and peacekeeping. However, I wonder how she has the brass neck to quote Winston Churchill when she and her hon. Friends have been prancing around with their CND badges on for a quarter of a century, blighting what we have been trying to achieve in the west. Nevertheless, hope springs eternal. *[Interruption.]* I did not say that the hon. Lady was a member of CND, but I wonder how she has the gall to defend her Government's approach to the defence budget when her constituents are observing deeper and deeper defence cuts.

My right hon. Friend the Member for Wealden (Sir G. Johnson Smith) made a hugely important point about the need for gendarmeries in peacekeeping processes. That was echoed by the hon. Member for Linlithgow. It is important to recognise that, in the Balkans, we are seeing an important contribution from the Royal Ulster Constabulary, and, more recently, from the MOD police. They are out there now doing a valuable job and I pay tribute to both those organisations and their personnel. The MOD police have an unusually long tour of duty. I believe that they are out there for a year at a time, which puts them under considerable strain, and I salute them.

Mr. Dalyell: That did not stop 76 churches, a list of which I will give to the Minister, being destroyed while those organisations were there. How has KFOR allowed the destruction of the Serbian heritage, let alone the refugees?

Mr. Key: I do not know about the 76 churches, but when I was in Kosovo last autumn I saw NATO troops guarding churches. I visited a church in central Pristina and also observed from the air a Serbian Orthodox church deep in the countryside being guarded by a tank—I do not know which nationality; probably ours. I am sure that our forces are not neglecting their duty, but I suspect that they are hugely stretched.

The hon. Member for Aberdeen, North (Mr. Savidge) made an important contribution about the dangers of nuclear proliferation and my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) spoke of the need for the Western European Union not to be simply forgotten. Of course I endorse that. We must find some way of ensuring continuity of accountability. With his usual erudition on procurement issues, he gave us a tour d'horizon of the decisions that need to be made very shortly.

The hon. Member for Linlithgow spoke about policing and the importance of the return of refugees to their homes, with the problems that are involved, and my hon. Friend the Member for Mid-Sussex made an important contribution about funding, which is of course crucial, but we should not forget that this is a debate on defence in the world, so I would like to spend a few moments trying to gain a new perspective on that.

Last week, during the recess, I visited Texas on a personal visit to celebrate my younger daughter's 21st birthday. I am proud today to be wearing a one-star tie, which I acquired in the gift shop of the capitol building in Austin. It struck me that, as I was in Texas, I ought to find out what Texans thought about defence. I found the yellow pages and looked up the national guard. I rang the public affairs unit at Fort Mabry. I am very grateful to Lieutenant-Colonel John Stanford and his deputy Aaron Reed for their excellent guidance and for fixing up a full command briefing.

Colonel William Goodwin, the chief of staff in the adjutant-general's department, led the team. The director of military personnel, Colonel Jack Taliaferro; the director of plans, operations and training, Colonel Archie Meedor Jr; the state aviation officer, Colonel James Looney; and General John Scribner, the command historian, all helped me to get a new perspective on defence in the world. I also got a specifically Texan view from the students at the university of Texas at Austin.

[Mr. Key]

I wanted to find out what the role of the national guard was, and how it achieved its vision and mission—the national guard is legendary—and what motivates men and women in the lone star state, that most confident and prosperous American state, to consider defence important. It was an opportunity to take a step back and learn from the experience of others.

Everything is indeed bigger in Texas. The total ready reserve strength in the United States is 1.4 million service men and women. The states with the greatest national guard strength are California, Pennsylvania and, at the head of the league, Texas. The Texas national guard has more than 16,000 in its army guard, 3,300 in the air guard, 1,000 in the active reservists, 290 in active duty special work, 1,744 in the federal civil technicians and administrative assistants and 405 state employees. That adds up to about 23,000 people in the Texas national guard.

The federal Government provides 97 per cent. of the budget, to the tune of about $300 million a year. The Texas national guard has 199 units and attachments stationed in 100 armouries in 90 cities. The air guard—these are reservists, let us remember—has two F16 fighter wings, an airlift wing with Hercules C130s, a weather flight and medical squadrons. A little extra is the Texas state guard, with more than 1,200 people to replace the national guards when they have been deployed. They are mostly retired people committed to helping. They are unarmed and unpaid: it is a form of community service.

The army guard is of course the pièce de résistance. For example, Task Force Eagle is currently in Bosnia; 481 members of the Texas national guard are there and, for the first time since the second world war, regulars in the US army are being commanded by national guard reservists.

Mr. Soames: The national guard structure in America is wonderful and suits that country well. However, does my hon. Friend agree that those troops could not be used in an outbreak of hostilities, because they are not sufficiently trained to deal with major outbreaks of public disturbance?

Mr. Key: Those are interesting comments, and all I can do is suggest that my hon. Friend visits Texas, because he is not correct. Another notable achievement of the Texas army national guard is that their soldiers are embedded in the US Army's 41st Division, which is the first and only fully digitised division in the US forces. It is the most modern unit in the US Army and the reservists are part of it. Indeed, part of the role and the vision of the reservists in the US is precisely to be ready to deploy as formed units to high-intensity warfare. That is why they have 32,000 acres of training area in Texas alone, 200 M1A1 tanks, 162 M2/3 Bradley fighting vehicles and 36 M109 A5 cannon. They have served in 63 countries in the past year, from Bolivia to Australia and Korea to Germany, and they are a real force multiplier.

Mr. Wilkinson: Does my hon. Friend agree that the air national guard, from Texas and all the other states of the Union, has been engaged regularly in operational duty overseas, including in the Balkans, the Gulf and Vietnam, and has operated to exactly the same operational standards as regular US Air Force squadrons?

Mr. Key: My hon. Friend is wholly right. The national guard also plays a major role in the partnership for peace. Texas also happens to have the highest number of people of Czech descent of any state in the US, so it is a partner with the Czech Republic in military-to-military exchange programmes.

The national guard has a dual mission. First, it has an organised state militia function under the command of the Governor, George Bush junior, and secondly, it is a first-line reserve component of the US army and air force. It can be ordered or called into active federal service by the President, as in Bosnia now.

Mr. Tom King: My hon. Friend is on strong ground, because in the Gulf war I saw for myself in Jeddah that the huge air-to-air refuelling tankers based there were operated by the US national guard. Their work enabled their troops to come over from Tampa and other places straight through to Dhahran and the other bases, and half the pilots were women.

Mr. Key: I am grateful to my right hon. Friend for throwing yet more light on the subject. The primary role of the Texas national guard is as a first-response unit to cope with flooding, range fires, hurricanes, drought, shelter and the air delivery of the oral rabies vaccination programme along the Mexican border. The national guard supports law enforcement, especially the Texas counter-drug programme. It flies four full-time counter-drug aircraft and last year seized drugs to the value of $2.5 billion. That is a remarkable record.

The question is why, in the comfort of Dallas or Austin, should so many US citizens, deep inside the strongest country in the world, believe in the importance of federal and state defence forces? Most Texans, and indeed most Americans, realise that defence today is about more than the defence of the homeland and dependent territories. Of course, US citizens are not uncritical of their armed forces. In Texas, I saw two hugely contrasting films. "Rules of Engagement" could hardly have been more robust in support of the US military, but the Oscar-winning "American Beauty" carried a sinister and somewhat subversive message about the military. Both were great movies, and in their diversity they were tributes to the strength of American democracy.

In the United States, they tend to have a different approach to citizenship. We take ours for granted. Most of us are proud of our heritage, but we do not always like to show it. We get upset when mindless thugs and idle kids despoil the Cenotaph and the statues of great men, but we do not fly our national flag much—I wish we did—and we do not do enough to teach our children and inform our people about the need for defence in the world. That is a collective failing of all right hon. and hon. Members, and we should seek to address it. We should seek to make defence more relevant to the lives of ordinary people. Deep in the strategic defence review, and lurking in the defence White Paper, there are references to the wider role of defence forces, but they are not written about by defence correspondents or spoken of on television and radio. Just once a year we have an opportunity to air these issues—and this is it.

The United Kingdom should and can share the confidence and exuberance of our best ally, the United States, as we enter the new millennium. The 21st century brings the chance to benefit from accelerating economic, technological, cultural and political integration, bringing citizens of all continents closer together, allowing us to share ideas, goods and information in an instant on the world wide web. That is globalisation, and it is good.

An increasing number of nations have embraced western core values, including democracy, market economics, respect for fundamental human rights and the rule of law. Indeed, as Member of Parliament for Salisbury, home of one of the four original Magna Cartas, I am particularly conscious of that. Attempts are under way to raise a large sum of money for a new Magna Carta building in the United States, where they also understand its significance.

Globalisation also brings risks, however—risks from rogue states, ethnic conflicts threatening regional stability, weapons of mass destruction, terrorism, drug trafficking and international organised crime. They are all global concerns. So are resource depletion, rapid population growth, environmental damage, new infectious diseases, cultures of corruption and uncontrolled, unsustainable economic migration.

Just as United States citizens will suffer, so will United Kingdom citizens if the global economy becomes unstable or foreign markets collapse. However high our domestic standards may be, they are worth less if other countries do not strive for similar standards. So our citizens have a direct stake in the prosperity and stability of other nations.

Our national interests must be clear. We must ensure the physical security of our territory; the defence of our homeland is vital and should not have been written out of the script in the strategic defence review. The economic well-being of our nation must be protected and the safety of our citizens ensured. We must protect from attack our national infrastructures, including energy, banking and finance, telecommunications, transport, water systems and emergency services. Cyber warfare is no longer science fiction. The CNN factor has also been apparent for some years, and media manipulation and spin are facts of life. Now we can add cyber-hate websites and the need in a mature democracy for the state to regulate the security of the internet.

Our national interests extend beyond our shores. There are many regions where we trade, and 10 million British citizens live and work in them to create wealth. We must be prepared to reach out and promote economic and social stability, to protect our nationals and British dependent territories and protect the trade routes and shipping lanes that are still our life-blood even in this age of electronic commerce and air travel.

Sometimes we and our allies must act to defend our ideals and values and to halt gross violations of human rights. It is right that we should respond and seek to avert humanitarian disasters. It is all part of defence. We must spend more money on intelligence gathering and monitoring and on analysing all that information. Our military must prepare to respond to hot spots and plan to intervene if they are called on to do so.

We must also spend money on defence diplomacy, which was not dreamed up by new Labour in 1997, but has been part of a distinguished two-way process for generations, with our military attachés serving alongside our diplomats, and foreign military personnel being made welcome at Sandhurst and the Royal College of Defence Studies, for example. We must not forget the important world of business and industry, and how that depends on the defence that is provided for our country.

Above all, we must prepare for an uncertain future. We must think the unthinkable, including assessing the worth of a new system of ballistic missile defence. We must have a strong, competitive, innovative and responsive defence industrial and research and development base, which is why so many of us are so worried about the Government's dash to sell off the Defence Evaluation and Research Agency.

We need to bring our citizens with us in fulfilling those wide defence commitments. We will not do that if we cannot convince the men and women in our armed forces that the politicians are prepared to find the money necessary for the military to do the job. We must always prepare, equip and train Her Majesty's forces for high-intensity war, even though we use them for peacekeeping.

Britain's contribution to the defence of its own people, to the defence of Europe and the world is a record of which we can be proud. Meanwhile, the Government continue to cut the defence budget.

I end by reminding the Government of the wise words of a distinguished Labour Secretary of State for Defence. In his autobiography, he wrote:

> no Government should cut a military capability without cutting the political commitment which made that commitment necessary.

6.35 pm

The Parliamentary Under-Secretary of State for Defence (Dr. Lewis Moonie): The debate has been interesting and well informed. Unlike our previous effort a few weeks ago, most speeches even stuck to the point. There has been much carping about the fact that the debate was being held today, but no one need remind a Scot with a distant constituency of the desirability of getting away, if possible, on a Thursday. However, there seemed to be little difficulty in filling the time. I cannot say that I felt time passing slowly while I listened to the debate. I compliment hon. Members on both sides of the House on the quality of their contributions. I have plenty of time to wind up the debate, and I shall do my best to respond to all the points that were raised.

In opening this debate earlier today my right hon. Friend the Secretary of State described some of the fresh thinking that is under way to modernise defence. That fresh thinking is being devoted to European defence, to meeting the challenges posed by rogue states that seek to acquire or develop weapons of mass destruction, to delivering the strategic defence review, and to using the expertise of the Royal Navy, the Army and the Royal Air Force as a force for good around the world. That is a challenging agenda, but it is one that we are meeting, largely through the great improvements to front-line capability arising from the strategic defence review.

My right hon. Friend rightly focused mainly on the broader international scene. I shall mention that in passing, but I shall concentrate on some matters that are rather closer to home. First, I apologise to the House if, in the course of my remarks, I lose my way around the mass of notes, pieces of paper and what I hope are wise

[Dr. Lewis Moonie]

thoughts that I have collected—but another disadvantage of winding up the debate is that I have to read my own writing, which is never a very good thing.

The hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) did not seem convinced about the part that the security review had played in informing the outcome of the strategic defence review. However, I assure him that the security review was embedded in the thinking that underlay the SDR. The SDR cannot predict actual conflicts, such as Kosovo, but it was never meant to, so the criticism levelled against it today was unjustified. The SDR was intended to predict classes of conflicts and to provide an appropriate level of response within our front-line capability to meet them. I submit that it has certainly managed to do that, as the success of our actions over the past year shows.

The accusation was also made that the SDR was cost driven. All I can say is that every aspect of Government in a time of scarce resources is cost driven to some extent. Cost was not the primary focus of the SDR: the Department felt some pain as a result of the reductions, but we supported them. I shall return to the points raised by the right hon. Member for Bridgwater (Mr. King) when I come to consider his contribution. There is no need to labour the point—costs and budgets were reduced; forces were reduced. The SDR was a careful examination of what we were trying to do in the world and of the forces and capabilities needed to do it. The review has provided a pretty accurate match. As the hon. Member for Mid-Sussex (Mr. Soames) pointed out, we need to review such matters—nothing should be seen as static.

Under the SDR, the broad capabilities and the objectives were correctly identified and we have been able to follow them through. Furthermore, we have been able to do so within the challenging budget that we set. I am not trying to say that my right hon. Friend, my colleagues and I are complacent about our funding—we are not. However, we should pay attention to the resources that we are allocating to ensure that we obtain best value for money. By and large, we are managing to do that and to do so within the constraints of our targets. The targets are challenging, but we are meeting them.

I do not propose to go round the houses over the national missile defence system. Attitudes towards it have been adequately aired from both sides of the House. The issue is complex and it is evolving. In response to the comments made by the right hon. Member for Tonbridge and Malling (Sir J. Stanley), there is no great inconsistency between the comments of the Foreign Office and of my right hon. Friend. One approach relates to the present and the other to a hypothetical future—it is proper to consider that possibility. I shall try to return to that point.

The hon. Member for Chingford and Woodford Green, because of his obsession with Europe, tries to read more into the ESDI and the common European defence policy than we do. It is a legitimate aim to have a rapid reaction force of between 50,000 and 60,000 troops who are capable of deploying quickly—obviously, given its name. Clearly, such a force must be organised multinationally. I can see nothing wrong with that. We can play our part with our European neighbours.

There is no inconsistency between the argument that our European neighbours should spend more money on defence overall and the point that they could receive better value for the money that they spend at present. We are talking about the top-end capability of a service in which about 2 million soldiers are under arms at any one time. As has been mentioned, the French are in the process of abandoning conscription—at last. Perhaps other European nations will follow suit. That will help us to fulfil our objectives.

On Kosovo, there seems to be some confusion between the logistics of ensuring that there are sufficient supplies and the problems that may arise in their distribution. The point about spare parts for vehicles is a good example. I am sure that the hon. Member for Chingford and Woodford Green would agree that every tank in Kosovo cannot go around with a truck full of spares behind it in case it breaks down. There is a big difference between ensuring that sufficient supplies are provided in the theatre of conflict so as to conduct operations responsibly and the occasional immediate logistical difficulties that may arise in ensuring that those supplies get out to vehicles in the field. If there are any lessons to be learned at that forward end of supply, I assure the hon. Gentleman that they will be taken on board.

I think that the hon. Member for Ruislip-Northwood (Mr. Wilkinson) referred to munitions. There was no question of running out of munitions in Kosovo at any time. Reports to that effect are mistaken and they do not gain in truth or in accuracy—I would not for a moment suggest that the hon. Gentleman was trying to be untruthful—by being repeated, no matter how often.

Mr. Wilkinson: Surely the point is that had operations continued with the same intensity for very much longer, there would have been a problem. The Ministry of Defence must be able and prepared to sustain operations for very much longer than is currently the case. That is the point, and it is a very simple one.

Dr. Moonie: My information is that we did not feel at any time that our objectives were under threat because of a shortage of any of the munitions that we used. We do not foresee that problem in the future, either. Clearly, if the conflict had lasted months longer, anyone might have got into difficulties in certain areas. However, it did not, so there was no problem.

Mr. Duncan Smith: May I make the simple observation that I think that the Minister is slightly missing the point? It is not that we managed the operation as it stood; the key question is what would have happened if we had been opposed. The requirements for spares, back-up material and even munitions would have almost immediately rocketed, so to what degree would we have failed because of the problems outlined in the leaked reports? That is the challenge for him and his fellow Ministers.

Dr. Moonie: It is a challenge, but the hon. Gentleman must recognise that, if there had been active opposition, the operation might well have been conducted on a very different basis. He makes an entirely false analogy.

Rather sneering remarks were made about lean supply and the effective method of logistical operation that we now have in place. Mention was made of supermarkets

and other services, but I must point out that every successful manufacturing industry in the world uses a lean supply chain. They do not run out of supplies, and our supplies did not run out in Kosovo and they were not going to run out. Masses of stores were not left lying around, but, as the hon. Member for Mid-Sussex rightly said, the last thing that we want is masses of stuff lying around becoming out of date and obsolete. We must be able to manage supplies better than we have in the past. As present experience has shown, I submit that future experience with the new Defence Logistics Organisation will show that we have provided a successful underpinning of our front-line forces.

I shall discuss the Territorial Army later. Unlike everyone else, I have to be conscious of time as I wind up the debate.

Mr. Duncan Smith: The Minister wants to catch his train.

Dr. Moonie: To my great disappointment, I am not returning to Scotland until tomorrow.

My hon. Friend the Member for Dumbarton (Mr. McFall) told me that he would be unable to be here for the winding-up speech, and I recognise the reasons for that. The right hon. Member for Wealden (Sir G. Johnson Smith) also informed me that he would not be present as did—*[Interruption.]* Hon. Members will just have to wait.

My hon. Friend the Member for Dumbarton rightly recognised the value of the Clyde bases in the west of Scotland, their huge economic input and the number of jobs involved. I noted his pleas for Yarrow and Kvaerner and for the future of shipbuilding on the Clyde, which were backed up by my hon. Friend the Member for Glasgow, Pollok (Mr. Davidson). Of course, we recognise the need for the industry to continue and I think that continuity of employment will be provided on the Clyde. I am not trying to understate the logistical difficulties of ensuring that that comes to pass, but I clearly cannot make any further comment today. However, my expectation is that we shall be able to keep things going.

Mr. Quentin Davies: Will the Minister give way?

Dr. Moonie: I really do not have time; I must try to reply to as many points as possible, so I apologise to the hon. Gentleman.

I am very well aware of the problems of the Churchill estate. I assure my hon. Friend the Member for Dumbarton that I shall try to ensure that the problems that have led to delays in transferring property to the local housing association will be solved in the very near future. My hon. Friend referred to the letter that he received on the organisation of facilities. We must recognise that General Cowans has put out a consultation document. I assure my hon. Friend that we shall listen to his concerns and try to address them.

I recognise that the right hon. Member for Bridgwater has long experience of the Ministry of Defence. I am aware of the attempts that he made—they were successful in the main—to handle the necessary reductions in expenditure and in the size of the forces. I think that the right hon. Friend would be honest enough to admit that there were some difficulties, particularly with the defence medical services, with which we are trying to deal. I accept that it was a difficult thing to do.

I do not think that the right hon. Gentleman conducted an exercise quite like the strategic defence review. Although the down-scaling produced successful results in the short term, it was largely a down-scaling of forces that remained focused on the same objectives as the larger forces previously. Perhaps that would have changed if the right hon. Gentleman had had enough time. I feel that we were left still focused on past objectives rather than those of the future. The SDR, whatever else may be said about it, is an attempt to focus on the future and our likely commitments.

I agree with the right hon. Gentleman about the value of intelligence. I shall refer to asymmetry and the difficulties that we face in coming to terms with it. Clearly, effective co-operation among intelligence services and a recognition of the problems, including electronic espionage and electronic destruction just for the hell of it, can play a part in disrupting a complex society.

Mr. Paul Tyler (North Cornwall): Will the Minister give way?

Dr. Moonie: No. I am sorry, I do not have time.

Defences have to change. When my right hon. Friend the Secretary of State was saying that we are no longer focused on the threats that had been our concern, he was of course referring to the threats of the past, not those of the future. Clearly effective action is needed to meet perceived threats.

The right hon. and learned Member for North-East Fife (Mr. Campbell) must recognise that the provision of missiles for Typhoon is a genuinely difficult argument between two competing systems. Much as we would like to have a decision in the near future, there are arguments to consider on both sides. It is not easy to weigh the relative merits of two competing systems, both of which have considerable advantages—*[Interruption.]* We have not yet made a decision. My right hon. Friend assures me that we shall be making it very soon. I have both hands in front of me; I do not have one tied up behind my back.

Mr. Menzies Campbell: We will promise to be a little more patient if the Minister promises that he will make the decision.

Dr. Moonie: Much as I enjoy the greatness that has been thrust upon me, it has not quite reached that level within the Ministry. Good points have been made about morale and our role in the world. The right hon. and learned Gentleman focused on the argument about more or better spending in Europe.

I have tried to cover Kosovo as much as possible. I do not have time to deal with Iraq, other than to say in passing that we are making attempts to underpin the safety of the people underneath the no-fly zones—the Kurds in the north and the Shias in the south—and we must recognise the legitimacy of the operation under UN resolutions, however difficult such long-term operations are. I accept what my hon. Friend the Member for Linlithgow (Mr. Dalyell) said about Kosovo and the problems that we have there. However difficult long-term operations may be, we must recognise that sometimes we have to take part in them, however unpleasant the consequences may be. Sometimes it is our duty to do so. That is certainly the position with the ones that we have been discussing today.

[Dr. Moonie]

I shall spend a little more time on asymmetry and some of the threats which have been referred to, particularly by my hon. Friend the Member for Swansea, East (Mr. Anderson) and the right hon. Member for Tonbridge and Malling. We recognise the potential threat from chemical, biological, radiological and nuclear terrorism. The MOD is fully involved in activities that are designed to counter the threat, which are co-ordinated and led by the Home Office in this country and by the Foreign and Commonwealth Office abroad.

The strategy that we support is twofold. First, it is designed to disable threats, and secondly, to plan an effective response to any explosion or release of material that may occur. That would involve mobilising a wide range of services, including the police, fire and ambulance services, local authorities and health services. That important work is being effectively co-ordinated by Ministers in other Departments and I assure the right hon. Member for Tonbridge and Malling that the MOD provides practical support for both elements of the strategy and is closely involved in the planning of the overall response and the exercise programme designed to test the response.

All troops are now given training in handling dangerous situations and there is, of course, a regiment dedicated to such services, which we take very seriously. With decent intelligence and careful management, we hope to minimise such a risk to the country. As a doctor, I recognise that there are certain circumstances in which any form of attack could overwhelm any level of force put up to deal with it. We must be honest enough to accept that there are potential threats which, in the short term, would be impossible to tackle, but that does not alter the fact that we plan to handle them as effectively as possible.

The right hon. Gentleman made some specific points about Russia. We have shown tremendous willingness to help and, in the past, have provided practical and financial assistance for dealing with fissile materials. Recently, it was suggested that British Nuclear Fuels may be invited to help with safeguarding and destroying fissile materials. There is no better company in the world to deal with such materials, however much it has suffered recently as a result of one particular problem. We are world leaders in this field and should give Russia the benefit of our expertise as much as possible.

Avoiding leaching from fissile materials is a far more difficult problem to deal with at second hand. We are a member of all the export control regimes, including committees, the nuclear suppliers group and the Australia group: I am sure that the right hon. Gentleman is as familiar with them as I am. Those bodies depend on the good will of all the participants involved which, so far, they have had. However, we must accept that there is a danger of leaks which we must take the best precautions possible to prevent.

On the Defence Evaluation and Research Agency, my hon. Friend the Member for Dunfermline, West (Ms Squire) was, in many ways, speaking to the last person to whom she should be addressing her concerns. When I was in opposition, I dealt with the privatisation of the British Technology Group, which I opposed. Then, for my sins, I had to deal with the partial privatisation of AEA Technology. By that time, my views had changed substantially and I came to recognise that there were good aspects of privatisation. I was, at worst, neutral and, at best, slightly in favour of it.

I honestly believe that the legitimate concerns expressed by the Opposition are similar to those that I expressed when I dealt with the privatisation of AEA Technology. With proper work and effective separation of the two elements involved, one can provide for the necessary part of DERA to be kept within the public sector and for a potentially highly effective commercial company to be created from the remainder.

I accept that there are considerable concerns about potential job losses and threats to individuals' personal security, which will be addressed during the process that was discussed earlier. However, that does not affect the fact that, in principle, we have every chance of making privatisation an outstanding success for DERA and the country.

Having mentioned the right hon. Member for Wealden, I should, in the few minutes that are left, discuss the threats that he raised. His point about trade wars was especially interesting and, given that there are forces outwith our control, underlined the importance in defence diplomacy of Departments working across departmental boundaries to handle the pressure that can lead to conflict if it is not properly handled. Despite the underpinning principles of free trade and economic expansion, there is a role for the Department.

I shall end on that note. It is the small, unsung things we do that may have the largest effect on world peace and prosperity in the long term. I am sure that that is an objective of which we are all in favour.

It being Seven o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Mr. Tyler: On a point of order, Mr. Deputy Speaker. As the Secretary of State for Defence is present, I should like to ask whether you have received any indication from him or from his colleagues about whether a statement will be made this evening about the serious potential danger to security posed by the e-mail virus known as the "love letter". Clearly, a Department of State must have been aware of the problem early this morning, yet, as far as I have been able to discover, no statement was made nor any warning given to other public services about the potential danger. Does the Secretary of State intend to make a statement telling us when his Department was made aware of the problem, whether other Departments had been informed of the severity of the situation, and whether there was any danger of the virus corrupting sensitive or operational computer systems in the Ministry of Defence?

Mr. Soames: Further to that point of order, Mr. Deputy Speaker. I wish to report to you that I received an e-mail this morning from a woman I have never met telling me that she loved me. That is not unusual—*[Laughter.]*

Mr. Deputy Speaker (Mr. Michael Lord): Order. I am sure that the House is fascinated by that information, but I think that I have heard enough to enable me to deal with the point of order. I have received no notification that the Secretary of State for Defence intends to make any statement along the lines that the hon. Gentlemen have suggested.

Telemedicine

Motion made, and Question proposed, That this House do now adjourn.—*[Mrs. McGuire.]*

7.1 pm

Dr. Howard Stoate (Dartford): I feel fortunate to have obtained an Adjournment debate on a subject which I believe is of great importance and sits well with Government policy on the health service.

Telemedicine means medicine at a distance. It has been defined by the American Medical Association as:

> the provision of health care consultation and education using telecommunication networks to communicate information.

Currently, the telephone is the simplest and most common form of telecommunication and, therefore, of the telemedicine medium. It is used every day by every GP in the country and is now, I am pleased to say, employed by NHS Direct—a 24-hour nurse-led helpline that can offer triage, information and other services to patients, wherever they live and at whatever time of the day or night they choose to phone. However, telemedicine can be far more sophisticated. Almost every day, it brings the introduction of more sophisticated systems that extend the range and scope of such services. That is one of the reasons why I requested this evening's debate.

Telemedicine has the potential to deliver improved access to health care to the whole nation and greatly to reduce pressure on the acute sector by bringing specialist knowledge and expertise to the heart of communities, and even directly into patients' homes. The key function of telemedicine is assessment and diagnosis. It has the capacity to speed up diagnosis and the referral procedure, thereby reducing the need for patients to travel and enabling more efficient use to be made of hospital time and resources.

That is of particular benefit to isolated and rural communities. For example, in Australia and the United States of America, which contain large tracts of land with extremely low population densities, the use of telemedicine video-imaging to make emergency diagnoses is well established. Although such problems are far less pronounced in this country, many communities, both urban and rural, are poorly served by certain medical specialties. Telemedicine offers one means of tackling such underprovision.

We all know that there are shortages of certain specialists. I am pleased that the Government are tackling that by dramatically increasing the number of specialist training places available, but gaps remain and it will be many years before enough specialists are trained to meet all the needs of every community. Therefore, it is vital that such resources as the NHS has are used to the best possible effect and in the most efficient way.

Let me give an example drawn from my locality, which prompted me to raise this subject. The Lions hospice operates in my constituency and that of my hon. Friend the Member for Gravesham (Mr. Pond). Last year, the hospice was faced with a problem: it had working for it a full-time palliative care consultant, Dr. Peter Harper, who was able to provide first-class treatment directly to patients in the hospice. However, Dr. Harper decided to take a post in Cornwall, thus leaving the hospice without a palliative care consultant. As I said, there is a shortage of palliative care specialists in Britain. Despite the fact that more are being trained and will be available in the future, there is a gap.

The hospice found it extremely difficult to recruit a replacement for Dr. Harper. Moreover, on examining its resources, it found it difficult to justify employing a full-time consultant at a hospice of moderate size. It simply was not the best use of NHS resources. It seemed wrong to take up the time of a full-time consultant at a hospice that did not need one. When I spoke to Dr. Harper, he mentioned that he was doing jobs that were not within his field of expertise, so he felt that his time was not being used to the best possible effect.

The hospice therefore invested £7,000 in telemedicine equipment—a couple of monitors, a couple of high-quality video cameras, six ISDN lines and the necessary electronics to link all the equipment together. That enables the hospice to communicate directly with Dr. Harper—the same NHS consultant, who is now in Cornwall. Three times a week, case conferences are held with him through a live TV link. The quality of the system is so good that he can assess scans and X-rays directly over the system and can participate directly in patient care, as if he were in the room. I have had a conference with him over the equipment, and I was astounded by the quality of the link and how well the system worked for the hospice.

Although the hospice has no consultant, it has access to a consultant exactly when he is needed. He is available three times a week on a regular basis, and can be contacted at other times in emergencies, if necessary. He can provide a first-class service to patients in my constituency, even though he is 200 miles away.

That seems a splendid way of ensuring that the NHS gets the best value for money out of the system. The only on-going costs are those of the hospice's contract with the consultant's current employer and of the telephone links, which are very small compared with the cost of employing a consultant. Although the hospice has not had a consultant for the past year, it has access to a first-class service.

Such an innovative response to the problem of local under-provision can only be applauded. Not only is it more efficient and cost-effective than other systems, but it increases the level of responsibility and expertise of locally based nurses and other health professionals who liaise with remote consultants. A colleague of mine in Dartford, Dr. Roger Peppiatt, has taken a sabbatical from his GP practice specifically to examine the breadth and scope of telemedicine, and is researching that very area. I shall be interested to hear what he has to say when he returns from his sabbatical.

Telemedicine is one way of developing the role of the nurse, which fits well with the Government's primary care strategy. The kind of consultant-led, nurse-managed system that operates at the Lions hospice could act as a model for many other parts of the health service.

The education function of telemedicine should also be emphasised. It could provide significant opportunities for primary care professionals and GPs to develop new skills and build on their existing knowledge, enabling them to offer new services to local people.

In Ireland, for example, the advent of a video conferencing link between the island of Inishmore and the department of psychiatry at University College hospital,

[Dr. Howard Stoate]

Galway, gave patients on the island their first opportunity of direct psychiatric assessment. Before the link was established, the majority of new cases were admitted directly to hospital, as there was no qualified professional on the island to assess properly the severity of each case.

Not only did direct assessment reduce the number of hospital referrals, but it gave health care professionals on the island a more sophisticated understanding of the nature of psychiatric conditions. That entailed an appreciation of how to identify and manage such conditions, and therefore enabled them to give the appropriate support to psychiatric professionals on the mainland.

Video conferencing as a teaching tool has great potential. It could enable local health practitioners to learn from leaders in their field through interactive classes, and the internet, which has allowed patients to obtain a greater understanding of their condition, offers even more potential.

Improving local health care services has the direct consequence of reducing the need for hospitalisation in many cases. That is good news for hospitals and their staff, but even better news for patients, who, given the opportunity to stay at home, can enjoy a much better quality of life. A good example of that is the pilot programme involving patients with chronic illness, which is being conducted by Newcastle City Health NHS trust in partnership with Newcastle city council and the regional medical physics department.

The trial involves the installation of telemedicine monitors in a patient's home, allowing his or her condition to be remotely monitored by a local control centre. Any change in the patient's heartbeat, respiration or temperature can be recorded and monitored. If there is a change, the GP, nurse or other specialist can be notified. So far, the results have been favourable, encouraging the belief that such social alarm monitoring services may in the future provide a realistic alternative to hospitalisation for thousands of people.

As the national beds inquiry showed, many people in hospital, including the elderly and those with long-term chronic conditions, have no clinical need to be there. Indeed, an extended stay in hospital may actually be of harm to them. Methicillin-resistant staphylococcus aureus, which is an extremely unpleasant bug and difficult to treat, exists only in hospitals. It is virtually impossible to catch it in the community. I know of only one case in the world of a patient who acquired MRSA from a community infection. It is sometimes bad for one's health to be in hospital. Therefore, anything that can reduce the number of hospital admissions or the length of stay must be applauded, not merely as a way of saving money for the NHS, but as a way of improving patient care.

However, certain provisos remain. Telemedicine cannot be phased in on a wider scale until its long-term effectiveness has been demonstrated conclusively to the wider community of health professionals and patients. We must establish that patient monitoring can be performed reliably and safely to ensure that such trials can be extended.

We need a way of ensuring that people are reassured, that patients feel that they are receiving good quality medicine, and that doctors feel that their expertise is being best used. We must ensure that pilot studies are properly evaluated, and that all the benefits can be seen by everybody so that they can decide for themselves whether telemedicine should be developed further. That is why we need proper training specifically designed for telemedicine practitioners and the regulation of telemedicine itself. Those are vital issues which the Government need to address and for which they need to provide a proper framework.

The Government have a major role to play in that. Undertaking a review of telemedicine and its role in the health service would serve to resolve some of the issues that are preventing the wider use of telemedicine. As a recent guidance note from the NHS Executive stated:

> The full benefit of telemedicine and telecare may only be realised in the light of managerial and organisational change

within the health service.

The Government have already made a commitment to modernising the NHS and increasing the role of IT across the health and social care system. Promoting telemedicine and producing guidance documents for health authorities on how telemedicine can be incorporated more fully into the health care system is one way of achieving that goal.

That is why I hope that today the Minister will be able to take a lead. An evaluation of whether the quality of care and diagnostic accuracy being delivered by telemedicine is equal to that delivered in person would help to tackle the misguided belief that telemedicine is a second-class form of medicine. A review of the law to ensure that the interests of telemedicine practitioners and patients are adequately protected would also serve a useful function. For example, whether a remote consultant who examines a patient's case is subject to the same regulations as an in-house consultant is a question frequently raised by experts in the field. Establishing just who is liable for a mistake or misdiagnosis and creating a proper control for telemedicine, governing the interaction between different institutions and different specialisms, is clearly necessary.

There is no question but that within every health authority there is greater scope for the practice of telemedicine. For example, health authorities could consider setting up telephone contacts between the health service and recently discharged patients to monitor their progress. That is an obvious, cost-effective form of telemedicine, which would undoubtedly benefit patients and could be delivered through existing systems, such as NHS Direct.

The use of electronic referral letters and electronic medical records, creating virtual outpatient departments, is another form of telemedicine that could easily be developed and progressed. For example, a number of internet-based projects have been set up around the country linking hospital dermatology departments and GP surgeries. The quality of images available over such systems is good enough to allow a dermatologist many hundreds of miles away to make an accurate diagnosis and offer appropriate advice and treatment.

There is also the possibility that the internet and telemedicine could be used in developing countries, so that experts from one country could establish links with experts in a different country, diagnosing and training.

However, some significant ethical implications need to be addressed. We must ensure that the systems are confidential and secure. The internet has already been shown in many cases to be an insecure medium. There

also needs to be a change in the attitude, work practices and organisational structure of the NHS if we are to see telemedicine developed. I should like the Government to encourage all health authorities to draw up a telemedicine strategy with specific targets for the adoption of telemedicine in their areas and specific proposals for its use.

An NHS in which telemedicine is widely practised is one in which there will be greater communication between health professionals and between health professionals and patients, forming new partnerships across service boundaries. It would also be a service that respects the idea of lifelong learning, committed to the use of new technologies in providing opportunities for its staff further to develop their skills.

Breaking down interdisciplinary boundaries and encouraging a fresh look at how skills are utilised in the health service will help to create the modern, efficient NHS which the Government are determined to build. Telemedicine has enormous potential to reduce medical inequalities in Britain and to bring services back to areas that, in recent years, have seen gaps in, or a lack of, services. That is one powerful reason why we should be looking to invest more in telemedicine during the next few years.

7.14 pm

The Parliamentary Under-Secretary of State for Health (Ms Gisela Stuart):

Information is the key to the modern age. The new information age offers possibilities for the future limited only by the boundaries of our imaginations.

I quote the Prime Minister in "Our Information Age" and I congratulate my hon. Friend the Member for Dartford (Dr. Stoate) on securing a timely debate on telemedicine.

Last month, I was delighted to open officially a telemedicine system, which links the accident and emergency departments at Bolton, Burnley and Bury with the maxillofacial and oral surgical unit in Blackburn royal infirmary. Experts at Blackburn can now quickly assess patients with facial injuries. Treatment begins immediately under expert supervision without the need to travel long distances. Patients are transferred to the in-patient unit at Blackburn only when necessary. For many patients, that will mean avoiding the 20-mile round trip to the specialist unit, and allow them to remain close to their families. It is a fascinating example of the NHS using new technologies to improve patient care.

Before I explore the use of telemedicine further, let me explain the wider need for change. The Government are committed to building a new NHS, which is faster, fairer and more convenient for patients and fit to face the challenges of a new millennium.

The extra resources that the Budget made available to the NHS give us an excellent opportunity to modernise its services. We have set out a 10-year modernisation programme to renew and reform the NHS. It aims to transform services, widen access, foster quality and modernise government.

We have achieved a lot: we are modernising every casualty department that needs modernising, getting more doctors and nurses into the NHS, setting up new additional services like NHS Direct and walk-in centres. Of course, we are providing the extra resources that the health service needs. We have been turning the NHS around and, in the process, laying the foundations for modernisation.

We have announced the modernisation action teams, which will consider the variation in practice and performance in the NHS and provide a unique opportunity to work with patients and professions to modernise the NHS and reinvent it for the new century.

The teams will devise solutions and work towards the creation of a national plan for the NHS. The national plan will embrace all those who share a commitment to the founding principles of the NHS but who have an equal determination to modernise its practices.

One of the ideas from the initial meeting of the teams was the potential use of a patient-held smart card to enable patients to gain access to their medical history. That is an example of the innovative ideas that emanate from the teams and will be taken forward in the coming months.

Telemedicine and telecare will play a vital part in modernisation. They are not new medical disciplines but tools that allow services to be delivered in a new way. They will provide services for patients, when and where they need them. That is happening at Blackburn.

People often associate telemedicine with video conferencing and perceive it simply as a patient in a remote location connected to a doctor by a video link. However, it is much more than that. It is about using simple as well as complex technology to ensure that patients get the right treatment at the most convenient place, from doctors and nurses who are able to make the best use of their specialist skills. Telemedicine and telecare can potentially be applied to all aspects of the NHS.

My hon. Friend the Member for Dartford vividly described examples in his constituency. Good work is being done throughout the country. I shall outline some examples to show the range of options that telemedicine offers. In Lewisham, a specialist mental health team is using telepsychiatry to link to a local GP. Video conferencing is partly used in place of referral to a specialist unit. The patients remain in the care of the local team that they know and trust. Equally important, the stigma that is sadly often associated with attending a specialist mental health unit is avoided.

In Bradford, the Anchor housing trust is working with British Telecom on a telecare system that monitors people who are at risk in their homes. Alarms are automatically generated for the carer should something go wrong. That enables people who have such a system to lead a more independent life, secure in the knowledge that they will get help if they need it.

In Cornwall, the A and E centres at Treliske and Truro support a number of nurse-led minor injury units in the community using video conferencing and teleradiology links. Patients have access to specialist care where they need it and avoid the long journey in to one of the main A and E units. That is especially important in rural areas.

The needs of patients must ultimately drive developments in telemedicine and telecare. Building on the work of recent years, they are increasingly seen as real options for effective health care delivery. Clearly, the evidence base is still being established, but a lot can be done now. For example, Peterborough hospitals NHS trust has links from eight local GPs to the specialist

[Ms Gisela Stuart]

dermatology services. Images and e-mail referrals can be sent via the NHSNet for diagnosis and triage for referral. I was interested to hear my hon. Friend's concerns about confidentiality, but the NHSNet provides a much more secure system than the web. Patients avoid unnecessary referrals and journeys and receive a quicker diagnosis, reducing the stress associated with waiting for results.

My hon. Friend has also described the work in Newcastle, where a telemonitoring service is being used in the home to monitor patients suffering from chronic illnesses. That is a perfect example of social services and health care providers working together for the benefit of patients. The patients have said how much they value the reassurance the system gives them; they know that someone can help them if there is a problem, especially at night.

Key to the wider development of telemedicine and telecare is our belief that they should be implemented only where there is good evidence that they are a safe and appropriate solution to the clinical needs of patients. We are building on the earlier work in telemedicine, ensuring that patients receive the best care in the right place at the right time from the right people.

Under the pathology modernisation programme, the United Bristol Healthcare NHS trust is setting up the Avon virtual pathology laboratory service and using telepathology to provide faster and more reliable access to a range of laboratory services, allowing quicker resolution and better consensus for difficult diagnosis.

Under our A and E modernisation programme, North Bristol NHS trust is developing a telemedicine link by which X-rays and other images can be relayed between hospitals. East Kent hospitals NHS trust will link minor injuries units at Buckland and Deal hospitals to two full A and E departments, using telemedicine to provide access to specialist advice. In another innovative development, Avon ambulance service is linking ambulances to A and E departments using telemedicine. The national database of telemedicine provides many more examples of the excellent work that is being done to provide real benefits for patients across the country.

Telemedicine and telecare have the potential to transform a patient's experience of the health service by reducing inconvenience, shortening journeys and avoiding unnecessary referrals. They also present new opportunities to deliver and configure services and, as my hon. Friend has said, new opportunities for professional development. I recognise what he said about the need for changes in attitudes and work practices if telemedicine and telecare are to flourish. If we are to realise their full potential, we must be willing to communicate and work across professional and organisational boundaries.

The health service has made real progress in recent years, and I pay tribute to the enthusiasts whose energy and vision have carried us so far. Telemedicine and telecare are already being promoted and used in many examples such as NHS Direct, the information strategy, the national service frameworks, the A and E and pathology modernisation programmes, walk-in centres and the health action zones innovation fund.

We recognise the need for further research and I understand my hon. Friend's desire to ensure that telemedicine is evaluated. Our health technology assessment programme is evaluating two telemedicine applications and on-going research is being carried out to underpin both "Information for Health" and telemedicine policy development.

My hon. Friend will be aware of the national beds inquiry, which we published for consultation on 10 February. It shows that, in any scenario, it is probable that the number of beds in the whole system, including those in intermediate care, nursing homes and residential homes, will need to increase. It suggests that the trend of the past 30 years—more hospital bed reductions—can no longer keep pace with the changing needs, additional activity and new services that the NHS will provide. It takes a whole-system perspective and considers hospital beds in the context of developments in primary care, community health services and social care as well as hospitals.

The facts revealed by the inquiry support the Government's plans to build a new bridge of NHS care for older people between hospital and home by developing a wide range of intermediate care services to prevent avoidable admissions, enhance rehabilitation and enable as many people as possible to maintain or regain functional independence in their own homes.

The Government have looked critically at telemedicine and telecare to see what can be done to bring about further development, and will continue to do so. We want telemedicine and telecare to be seen as options for service delivery. We have already said that, from 2000, all health improvement programmes and associated strategies will need to demonstrate that telemedicine and telecare options have been considered. We hope that that will be one way of ensuring that they are involved in the development of the health service, and will be introduced if they prove to be a way of including it.

I was struck by my hon. Friend's observation that the system in itself does not always involve a huge amount of capital investment. The necessary service can be provided at relatively low cost, but with tremendous benefit to patients.

Telemedicine and telecare are likely to play an important part in the addressing of national priorities. They will also have an impact on the provision of health-care information, providing links to NHS Direct, the national electronic library for health, the NHSNet and the electronic patient record.

In building a modern NHS and improving services for patients, we are focusing on the real opportunities that telemedicine and telecare represent. They will make it possible to deliver services more effectively, to move specialist expertise out of hospitals and into primary care, and to create the framework that is necessary to ensure that specialist skills are more widely accessible. The challenge will be the requirement to harness the information revolution to ensure that patients receive the best treatment, at the right time and in the most convenient place.

Our vision is of an NHS in which services are shaped around the convenience of patients. That means embracing technology to provide faster services. It means direct booking of hospital appointments, shorter waiting times for treatment, more rehabilitation services and more use of telemedicine, the internet and NHS Direct to bring care closer to home.

It is easy to underestimate the true impact of new technology. Two years after inventing the telephone,

Alexander Graham Bell made a famous prediction: he firmly believed that one day all cities and all companies would have telephones, and people would be able to talk to each other on them. That was greeted with cynicism at the time. In the same way, some people now feel that telemedicine may be a cheap option, and that it may not be possible to deliver such a service.

My hon. Friend, however, has seen the quality of the images being transmitted, and knows about the consultation that is possible between specialists who can exchange ideas and experience. When telemedicine is implemented well, the patient will often receive almost a better service, because that service draws on a much wider range of resources and expertise than is possible in conventional medicine.

Telemedicine is an extremely useful example of what we mean by modernisation. It also illustrates the fact that all the changes in the health service have a single aim: to improve the service to the patient by harnessing the skills of all NHS staff, while also harnessing the new technology. That may sometimes mean that certain people must take a deep breath and realise that technology is moving on, but it is in all our best interests.

I am grateful to my hon. Friend for raising an issue that is often overlooked. I am delighted to have been able to support his commitment to telemedicine. I assure him that the Government are determined to support that commitment, and will continue to do so.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Seven o'clock.

House of Commons

Friday 5 May 2000

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Carers and Disabled Children Bill

Not amended in the Standing Committee, considered.

New Clause 3

ASSESSMENTS: PARENTS OF DISABLED CHILDREN

'(1) If a person with parental responsibility for a disabled child—

(a) provides or intends to provide a substantial amount of care on a regular basis for the child; and

(b) asks a local authority to carry out an assessment of his ability to provide and to continue to provide care for the child,

the local authority must carry out such an assessment if it is satisfied that the child and his family are persons for whom it may provide or arrange for the provision of services under section 17 of the Children Act 1989 ("the 1989 Act").

(2) For the purposes of such an assessment, the local authority may take into account, so far as it considers it to be material, an assessment under section 1(2) of the Carers (Recognition and Services) Act 1995.

(3) The Secretary of State (or, in relation to Wales, the National Assembly for Wales) may give directions as to the manner in which an assessment under subsection (1) is to be carried out or the form it is to take.

(4) Subject to any such directions, it is to be carried out in such manner, and is to take such form, as the local authority considers appropriate.

(5) The local authority must take the assessment into account when deciding what, if any, services to provide under section 17 of the 1989 Act.

(6) Terms used in this section have the same meanings as in Part III of the 1989 Act.'.—*[Mr. Hutton.]*

Brought up, and read the First time.

9.34 am

The Minister of State, Department of Health (Mr. John Hutton): I beg to move, That the clause be read a Second time.

Madam Speaker: With this it will be convenient to discuss the following amendments: No. 29, in clause 4, page 2, line 42, leave out '(1)' and insert '(2)'.

No. 30, in page 2, line 43, leave out '(1A)' and insert '(2A)'.

No. 31, in page 2, line 43, leave out 'such an assessment' and insert—

'an assessment under subsection (1) or (2)'.

No. 32, in page 3, line 1, after '1', insert—

'or (*Assessments: parents of disabled children*)'.

No. 41, in clause 6, page 3, line 44, leave out 'parent of' and insert—

'person with parental responsibility for'.

No. 22, in page 3, line 44, after 'parent', insert—

', grandparent, step parent or foster parent'.

No. 44, in page 4, line 24, leave out 'parent of' and insert—

'person with parental responsibility for'.

No. 25, in page 4, line 24, after 'parent', insert—

', grandparent, step parent or foster parent'.

No. 45, in page 4, line 26, leave out 'parent' and insert 'person with parental responsibility'.

No. 46, in page 4, line 27, leave out first 'parent' and insert 'person with parental responsibility'.

No. 47, in page 4, line 27, leave out 'the parent may' and insert 'that person may'.

No. 35, in clause 10, page 5, line 20, after '(1)', insert—

'Except as provided in section (*Assessments: parents of disabled children*)(6),'.

Mr. Hutton: I am grateful to have caught your eye, Madam Speaker. Perhaps it might be helpful to explain why I, and not my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry), have moved the new clause. My hon. Friend has been poorly recently. I am happy to take some of the burden off him. My right hon. Friend the Secretary of State for Health supports the proposal too.

On Second Reading, my hon. Friend the Member for Halesowen and Rowley Regis (Mrs. Heal) and the hon. Members for Poole (Mr. Syms) and for Sutton and Cheam (Mr. Burstow) all raised genuine concerns that persons with parental responsibility for a disabled child would be excluded from having an assessment under the Bill. Although support for that group of carers under the Children Act 1989 has been available for some time, and the Carers (Recognition and Services) Act 1995 has already given such carers a right to ask for an assessment of their ability to provide and to continue to provide care for their disabled child, reports from the social services inspectorate and from other sources have shown that they are often poorly served under the existing arrangements. Those points were made eloquently both on Second Reading and in Committee.

Experience of the Children Act indicates that there are problems not with the legislation itself, but, rather, with the implementation of that important landmark legislation. Therefore, during the Standing Committee, I made a commitment to look at how we might give that important group of carers a right to ask for an assessment under the Bill, which would be linked to the delivery of services under the Children Act.

The Government's objective in developing the national carers strategy and, in particular, in supporting the Bill, is to listen to what carers say they want, so that they feel cared for themselves, and can see that their needs are being understood and that progress is being made in ensuring that those needs are met. Parent carers in particular have asked me to ensure that, through the Bill, it is made explicit that the needs of persons with parental responsibility for disabled children must be supported to the same extent as the needs of any other carer who provides, or intends to provide, a substantial amount of care regularly for a person who is aged 18 or over.

[Mr. Hutton]

New clause 3 underlines the existing arrangements whereby councils are empowered under the Children Act to provide a wide range of services to disabled children and their families. Those services include advice, guidance, counselling, occupational, social, cultural or recreational activities, home help and attendances at a family centre. The Government have listened to the concerns that have been expressed and, with my hon. Friend the Member for Stalybridge and Hyde, have taken action to strengthen the Bill in that important area. The new clause makes it clear that persons with parental responsibility for disabled children will have a right to ask for an assessment under the Bill. For those carers, services will continue to be provided under the Children Act to safeguard and to promote the welfare of those children.

Amendments Nos. 29, 30, 31 and 32 expand clause 4, so that, for the purpose of the community care assessment and an assessment of a disabled child under the 1995 Act, a local council may take into account, so far as it considers it to be material, an assessment under the new clause.

Amendment No. 35 meets the need for a minor technical consequential amendment to clause 10. It takes account of the fact that the definition of "local authority" is different in the National Health Service and Community Care Act 1990 and in the Children Act. Some amendments are technical and often do not look as if they make any sense. I assure my hon. Friends and the House as a whole that amendment No. 35 does make sense. It is purely technical. I hope that the House will support it, and, therefore, the new clause.

Mr. Andrew F. Bennett (Denton and Reddish): Before my hon. Friend finishes his speech, can he tell us what implications the measure has for the costs for local authorities?

Mr. Hutton: I do not think that the new clause will add to the responsibilities of local authorities. It declares on the face of the Bill the existing provisions. These are services that local authorities are already able to provide for parent carers under the 1989 and 1995 Acts. Perhaps I did not make the point clear enough, and we need to look at the origins of the argument.

On Second Reading, the reasonable concerns of, for example, organisations that represent parent carers were aired. They felt that, inadvertently, we were excluding parent carers from the Bill. Consequently, they felt that a signal was being sent that we did not value the importance of their contribution and the role that they play—but nothing could be further from the truth. I know that my hon. Friend the Member for Stalybridge and Hyde in particular feels strongly that the role of parent carers is very important.

A significant part of the national carers strategy itself is to ensure that the Government, working with our partners and local authorities, provide a better range of services to meet the needs of young carers and disabled children and parent carers. That is precisely what the legislation is about. New clause 3 is therefore essentially a declaratory amendment. It will not add anything to local authorities' range of responsibilities, but will make it clear that, under the Bill's provisions, a parent carer could seek the assessment that I mentioned. I hope that my hon. Friend the Member for Denton and Reddish (Mr. Bennett) is clear on that point.

I shall now speak to amendments Nos. 41, 44, 45, 46 and 47. The Bill provides for direct payments and vouchers to parents of disabled children, but not to others who might have parental responsibility for disabled children, such as grandparents. I know that my hon. Friend the Member for Harrow, West (Mr. Thomas) has a particular interest in the subject and has tabled his own amendments, which we may discuss shortly.

This group of amendments will ensure that the advantages of direct payments and vouchers—which my hon. Friend the Member for Stalybridge and Hyde is introducing as an innovation in the Bill—are available not only to parents, but to all those who have parental responsibility. The amendments are necessary to ensure that the new rights of parent carers are more widely available.

The Bill, by including everyone with parental responsibility, will encompass people in whose favour a residence order, for example, has been granted in respect of a child. A residence order automatically confers parental responsibility. Therefore, when step-parents or grandparents or other members of the family have parental responsibility for a disabled child, they will in future also have rights to direct payments and vouchers. It would make no sense at all—and there would be no justification for it—to exclude those people from the scope of the innovatory provisions.

The amendments will make the Bill more consistent with the policy, guidance and practice guide on the Carers (Recognition and Services) Act 1995. A note in the policy guidance states that the word "carer" in the 1995 Act is used

to include parents and others with parental responsibility who care for disabled children.

We are simply making the legislation more consistent.

The intention behind the amendments is therefore to make it clear in the Bill that all those who have parental responsibility for disabled children will have access to the benefits of the new legislation. I hope that hon. Members will be able to support new clause 3 and amendments Nos. 29, 30, 31, 32, 41, 44, 45, 46 and 47.

Mr. Gareth R. Thomas (Harrow, West): I shall speak to my amendments Nos. 22 and 25.

I am grateful for the opportunity to speak in this debate. My hon. Friend the Member for Lewisham, West (Mr. Dowd) inspired me to seek to speak on Second Reading, but I was not so fortunate as to catch the eye of the occupant of the Chair. I am therefore particularly pleased to be able today to support my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry), with whom I have worked on various issues in his promotion of the Carers and Disabled Children Bill.

My two amendments are probing amendments, to flag up the rights of those who take over parental responsibility but are not the child's parents. As we all know, there are occasions when, for whatever reason, a child's parent is no longer that child's guardian.

Clause 6(1) will insert two new sections—17A and 17B—into the Children Act 1989, and it is worth recapping what the new sections will do. According to the Bill's explanatory notes, new section 17A

enables a local authority, instead of providing services for a disabled child under the Children Act, to make to the parent carer a direct payment in lieu of those services to enable the parent carer to arrange for provision of those services rather than rely on direct service provision from the local authorities.

9.45 am

New section 17B will

enable the Secretary of State or, as the case may be, the National Assembly for Wales, to make provision in regulations for the issue of vouchers by local authorities to parent carers to enable the parent carer to arrange for someone to care for their disabled child while they take a short break from their caring responsibilities.

My amendments extend those opportunities to a grandparent, step-parent or foster parent.

In Committee, my hon. Friend the Member for Stalybridge and Hyde said:

I am aware that parents like to have as much freedom as possible when making arrangements for the care of their disabled children. The clause will give them far greater choice.

He is absolutely right about the effect of clause 6. My amendments seek merely to extend that freedom to grandparents, step-parents and foster parents.

My hon. Friend went on to say:

Direct payments will be particularly helpful to young disabled people leaving home—for example, to enter further or higher education, or perhaps to enjoy a more independent life.—[*Official Report, Standing Committee C*, 15 March 2000; c. 54.]

My hon. Friend is absolutely right about that, too. My amendments simply extend the same opportunities available to parents with responsibility for care to grandparents, step-parents and foster parents with responsibility for care.

The Carers National Association has provided a very useful briefing for today's debate. On clause 6, on vouchers for breaks, it states:

The principle of vouchers is similar to direct payments as it gives control to disabled people and carers, giving them, rather than officials, the freedom to choose where and when to take a break. Vouchers effectively "cut out the middle-man".

In my two amendments, and in other probing amendments, we want to ensure that the freedoms provided in the Bill for parents are extended to grandparents, step-parents and foster parents. My hon. Friend the Minister has made some made positive comments, which show that the Government are already dealing with those concerns.

Mrs. Caroline Spelman (Meriden): I commiserate with the hon. Member for Stalybridge and Hyde (Mr. Pendry). It is always sad when one reaches the final stage of the drama to find that one of the main protagonists is indisposed. Nevertheless, we needed to hear the Minister's comments on this important new clause and group of amendments.

New clause 3 is absolutely key, addressing an issue that was raised quickly by all those who spoke on Second Reading. Hon. Members on both sides of the House were concerned about the danger that, quite inadvertently, the legislation as originally drafted would disadvantage parent carers. However, on 8 March, the Minister gave us the assurance that a declaratory amendment would be tabled for today's debate, making explicit parent carers' right to assessment. For that reason, we particularly welcome these corrections. Conservatives are never interested in the proliferation of legislation for its own sake, but we can safely say that the new clause will close a loophole and it will be in everybody's interests—the parent carers, the cared-for person and the state—to ensure that that group of carers is not disadvantaged.

I have a couple of slight concerns about the remaining inconsistencies. I am pleased that the new clause puts more pressure on local authorities to carry out assessments by the use of the word "must", but that is an interesting change of style and tone from other aspects of the Bill, where the word "may" is more often used. In Committee, the Minister assured us that "may" means "will", but we have the word "must" here. For the sake of consistency, we should get our definitions right.

Mr. Hutton: The hon. Lady has misquoted me. When I said that "may" could be interpreted as "will" I was talking about the Secretary of State's intention to use his powers to issue regulations or guidance. I did not mean that "may" meant "will" in the context of carrying out an assessment, because that would not be consistent.

Mrs. Spelman: I thank the Minister for that clarification. I shall need to look back at the exact wording of *Hansard*, but he certainly got my point in Committee. We have all seen examples of the word "may" turning out in practice to be a bit weak. Amendments Nos. 4, 7 and 24, which we shall debate later, would strengthen the Bill by changing "may" to "shall". I am sure that hon Members understand my point about the inconsistencies that can occur with the use of apparently simple little words. However, we welcome that important change.

The amendments cover two different categories, but the point about the need to widen the definition of a parent carer is well taken. I am sure that none of us wishes to see someone who takes on the enormous parental responsibility for a disabled child excluded from the opportunities that should be available to deserving carers. The hon. Member for Harrow, West (Mr. Thomas) made that point, although I could not resist a slight smile about his new-found enthusiasm for voucher systems. I am sure that there have been long and substantial debates in this place about voucher systems in the past. It is interesting to hear Labour Members being newly positive about their virtues.

Parent carers are a special category, because they most directly bear the responsibility for being on point for a disabled child. Yet as they and the Carers National Association have made plain, they have sometimes found themselves inadvertently disadvantaged under existing legislation—which tends to be child-focused—although they are the last group to complain. There is sound logic in tidying up the issue and ensuring that a deserving group of carers is not inadvertently disadvantaged.

Mr. Eric Forth (Bromley and Chislehurst): I looked at the new clause with a sense of déjà vu, because at one time in my past I spent a lot of time dealing with assessment, albeit in a different context—I refer to the special educational needs code of practice under an altogether different Bill. Underlying the wording of the new clause are some potential difficulties. I have a few questions for the Minister, as the new clause is in his name as well as that of the hon. Member for Stalybridge and Hyde (Mr. Pendry). I join other hon. Members in

[Mr. Eric Forth]

expressing my sympathy for the hon. Gentleman, who is the sponsor of the Bill. He has bravely managed to be here today, but on this occasion—although I would normally deprecate the practice—we accept that the Minister may well bear much of the brunt of replying, for reasons that we all understand.

The new clause perhaps inevitably uses terms with a wide range of possible interpretations, such as

a substantial amount of care

and

an assessment of his ability.

This is well-worn territory, but every time we seek to extend the scope of legislation, we inevitably raise questions about whether the inevitable bureaucracy will be able properly to support the aim of that legislation. My first simple question for the Minister is whether he is satisfied that the use of such words is tight enough and whether sufficient guidance is given to ensure that a key phrase such as

a substantial amount of care

will be properly interpreted and put into effect.

That problem is even greater in respect of subsection (1)(b). The phrase

carry out an assessment of his ability to provide and to continue to provide care for the child

raises various questions about the meaning of the word "ability". I thought that the Carers (Recognition and Services) Act 1995, which is referred to in the new clause, might give greater guidance. However, I have to disappoint you, Mr. Deputy Speaker, as well as myself and some others, by saying that it does not. It simply uses the same form of words.

We have to ask whether the term "ability to provide" is sufficiently well understood or easily interpreted to eliminate any doubt. Some of the issues are covered by later amendments, so I do not want to dwell on them unduly, but as well as referring literally to the skills necessary, that phrase could also cover areas of character, which might more appropriately be regarded as suitability. I should like guidance from the Minister on whether that is the intention.

Mr. Kevin Barron (Rother Valley): I accept the right hon. Gentleman's point about phrases such as "a substantial amount" and their interpretation not just by us, but by carers. Does he agree that the answers for our constituents and for carers might be found in the regulations referred to in clause 10 rather than in the Bill, which does not go into such details of interpretation?

Mr. Forth: I fully accept what the hon. Gentleman says. This is familiar territory to all of us. How far is it reasonable, proper or even profitable to expect such detail in a Bill and how far should we look to regulations? I am looking for reassurances that the Minister is satisfied that we have sufficient guidance in the Bill to enable us to be confident that the regulations that will flow from it will provide answers. That is all that we can reasonably expect at this stage.

My final point is about finance. The Minister will delighted to know that I have a copy of the Children Act 1989 with me; I am sure that he, too, has a copy. Clause 17 of that Act explicitly refers to finance. We shall have an interesting debate later on amendments, one of which I tabled, to try to elucidate matters. However, in the context of new clause 3, I simply inquire whether "ability" encompasses financial capability. Skills, character and finance are potential aspects of "ability". That raises important questions, which may affect the regulations that would underpin new clause 3. They are vital to a full understanding by carers, authorities and all those who will be involved in interpreting the Bill. Clarification and interpretation are therefore necessary.

10 am

I tabled an amendment, which was not selected, to try to clarify the new clause's provisions on appeals. In the special educational needs code, we were careful to make proper provision for appeals in cases when a bureaucracy makes an assessment. That has become increasingly commonplace. Some would argue that it was self-evident that erecting a second bureaucracy to second-guess a first was counter-productive and costly. However, nowadays, we rightly want to pay more attention to the rights of individuals, who are often vulnerable against a bureaucracy. In cases of doubt, we should tip the balance in favour of individuals.

If the House accepts that, we should be able properly to identify a mechanism whereby someone who has undergone an assessment process such as that which the clause outlines, and is dissatisfied with the result, can appeal. Such dissatisfaction often occurred in the educational context because local authorities and their officers were worried about the financial aspects of an assessment process. With more than half an eye to that, local authority officers may take a narrower and more rigorous view of the responsibilities than the sponsors of the Bill or the Minister intended. Against that background, an appeals mechanism becomes even more important.

Is the Minister satisfied that there is sufficient opportunity for individuals to appeal or to come back to the local authority after the assessment process?

Mr. Bennett: I understand the arguments for an appeals procedure, but the assessment process takes time and can be bureaucratic. In pressing for an appeals process, the right hon. Gentleman is in danger of supporting further bureaucracy. Would it not be better to use the local government ombudsman, and the power of local councillors or Members of Parliament to make a fuss?

Mr. Forth: Those are possibilities. The ombudsman is a splendid institution, but we are all aware of the shortcomings of the ombudsman process. I narrowly interpret the role of Members of Parliament vis-à-vis such processes, although I have a much greater regard for the role of councillors. However, that role is not necessarily adequate to solve the problem; it was not when we considered the educational context. We set up a tribunal process, which has proved its worth. Will the Minister be able to satisfy those who are likely to undergo the assessment process that, if something goes wrong and they feel that they have not had a fair deal, proper recourse is available? I put that in simple terms so that I do not overcomplicate matters. Given that my amendment was not selected, I cannot pursue the subject of tribunals at greater length. However, an important question needs to be tackled.

Our discussion today is valuable because it enables us properly to explore the sort of questions that I raised and, as far as we can, to resolve doubts. After all, that is why we are here. The Minister has an opportunity to explain his views; that will provide guidance about what may happen subsequently at a later stage in the Bill's progress or in preparing regulations.

I hope that the Minister will be able to provide full and proper replies and set my mind at rest that the areas of unhappiness that I identified will be properly resolved.

Mrs. Sylvia Heal (Halesowen and Rowley Regis): I welcome new clause 3 and support the proposal to include step-parents, grandparents and foster parents in the provision. My hon. Friend the Minister referred to the anxieties that I and others expressed on Second Reading and in Committee about the fact that parents were not specifically mentioned in the Bill. The omission was not deliberate, but the new clause gives us an opportunity to rectify a clear oversight.

It has already been said that the Children Act 1989 and the Carers (Recognition and Services) Act 1995 provide for services for disabled children. It is right that the needs of disabled children are met specifically by a children's service. In many cases, that service is more than adequate for their needs. However, parents and their needs are increasingly overlooked—we know that through information we have received from the Carers National Association and Contact a Family. Both organisations expressed anxiety about those who undertake considerable responsibilities for their children over a long period. Those of us who are fortunate enough to be the parents of healthy children realise that while responsibilities do not disappear completely as they grow older, they decrease. That is rarely the case for parents of children with disabilities.

Contact a Family has stressed the importance of the fact that many disabled children have complex needs, many have more than one disability and many have severe behavioural problems. Let us stop for a moment and consider what that might mean for the parents, not occasionally, but every day of those children's lives. To highlight that, I shall refer to two examples, one of which concerns a young child. We readily think of young children as being in need of parental care, but we should remember that parents of disabled children, even when the children become adults with disabilities, continue to have responsibilities.

I take the examples from research by Saul Becker and Richard Silburn that was published in June last year. The first example is of the Shah family:

> Joy Shah is 9. Her birth was extremely premature, and for some months her continued survival was in doubt. She has cerebral palsy with almost complete loss of mobility. She spends most of her time in a lying position or sitting propped up. She is doubly incontinent. Her sight, hearing and speech are unimpaired, as are her mental faculties, so she is able to attend an integrated school. She is cared for by both her parents, although it is her mother who is the primary carer.

No matter what services are provided for that little girl, although they will obviously help her parents to care for her, they will not necessarily meet her parents' needs. On Second Reading we asked for parents' needs to be assessed, and that is now happening. The Government have listened to their Back Benchers and to organisations working on behalf of carers—all carers, but parent carers in particular.

I shall now refer to someone much older than that little girl: a man of 44.

> From an early age his development and behaviour were such that it was suggested he had severe learning difficulties. It was many years later and almost by accident that the more accurate diagnosis of autism was made. Throughout his life he has been cared for by his parents. However his father David suffered a stroke 13 years ago since when his mother Sarah has had to care for both son and husband.

I think it right and just for us to consider carefully the needs of parents who undertake such responsibilities over what is often a very long period.

The new clause allows parent carers to receive the same rights to assessment and services as all other carers. That sense of equality and social justice must run through legislation of this kind. I welcome the change, and the new clause. I also agree with my hon. Friend the Member for Harrow, West (Mr. Thomas) that we should consider the position of step-parents and grandparents. In many instances circumstances change and it is left to people other than the natural parents to care for children.

This is an excellent move by the Government and I welcome the changes.

Mr. Paul Burstow (Sutton and Cheam): I shall be brief, but I want to pick up a point made by the right hon. Member for Bromley and Chislehurst (Mr. Forth). We discussed the issues of tribunals and appeals in Committee, partly as a result of an amendment tabled by Opposition Front Benchers. The assessment process leads to a care plan, and we ascertained from the Minister that there would be a separate care plan for the carer. That important distinction also arose from the Carers (Recognition and Services) Act 1995.

Because assessment is a never-ending process—because a cared-for person's needs change, and because a carer's needs may well change, possibly as a consequence of the needs of the cared-for person but also owing to his or her own circumstances—I am not convinced that a tribunal mechanism similar to the one applying to statements about special educational needs is applicable. What is essential is clear documentation: clear statements that can be used to contest the local authority's determination of what it proposes to offer through the care plan. There must be clear procedures for local authorities to operate so that carers can challenge statements in the care plan.

I welcome both the new clause and the amendments, which go a long way towards meeting the concerns raised on Second Reading and in Committee—especially the declaratory amendment which clarifies further the issue of whether parents with caring responsibilities for disabled children is covered.

10.15 am

Mr. Hutton: I thank right hon. and hon. Members, including the right hon. Member for Bromley and Chislehurst (Mr. Forth), for the support that they have expressed for the new clause and amendments. Some hon. Members raised specific points, which I shall try to answer.

The hon. Member for Sutton and Cheam (Mr. Burstow) and my hon. Friend the Member for Halesowen and Rowley Regis (Mrs. Heal) were right to say that we are trying to respond to concerns that were legitimately expressed about the original drafting of the Bill. Neither my hon. Friend the

[Mr. Hutton]

Member for Stalybridge and Hyde (Mr. Pendry) nor I had any intention of excluding parent carers from the benefits that it provides, because they do a good deal of important work in communities throughout the country. We value and cherish that work and we want to strengthen the support that we give them. We are putting the matter right, and we are putting it beyond any doubt.

The right hon. Member for Bromley and Chislehurst made three points. He expressed concern about what he described as loose wording and drafting in the Bill. In fact, some of the wording that he considered suspect mirrors the terms of the Carers (Recognition and Services) Act 1995, in whose passage the Under-Secretary of State for Education and Employment, my hon. Friend the Member for Croydon, North (Mr. Wicks), played such an important part. I think that, as a former Minister, the right hon. Member for Bromley and Chislehurst will recognise that there is a case for ensuring that subsequent legislation is consistent with the terms of similar legislation, and that is what we are trying to do.

The right hon. Gentleman was particularly concerned about terms such as "suitability" and "ability". We shall be able to use the powers that we have under the Local Authority Social Services Act 1970 to give local authorities guidance about the implementation of the Bill. We have always made clear our intention to use those powers to ensure that authorities implement the Bill in the way that my hon. Friend the Member for Stalybridge and Hyde—and others would wish. There is no risk that things will go wrong in the way that the right hon. Gentleman identified.

Because of the Bill's history and the fact that it builds on earlier Acts, if there had been any evidence that its language would cause serious difficulty in its practical implementation we would probably have known about it by now. As there is no such evidence, we are fairly confident—as, as I am sure, is my hon. Friend—that the legislation is satisfactory in that respect.

The right hon. Gentleman raised another point, which I know he wants to discuss later, so I shall not spend too much time on it now. He was concerned about the extent to which the new clause would enable local authorities to take resources into account when assessing the needs of parent carers. He has a good memory, as all Labour Members know—particularly on Fridays when we debate private Members' Bills. He may wish to be reminded, however, that when he was a Minister the Government of whom he was a member considered these issues in the context of the guidance and advice that they gave to local authorities. The position is clear: according to existing guidance and practice, it is not acceptable for authorities to take resources into account when assessing a person's needs.

The right hon. Gentleman wants something slightly different—we shall discuss that amendment later—but I think the current position is right. It is not appropriate for resources to be taken into account in the assessment of a person's need for support services. Charging may be an issue—we shall discuss that later as well—but when a person's needs are being assessed that person's means are irrelevant and should not be part of the assessment. That would be putting the cart before the horse. We are clear about this, and so were the right hon. Gentleman's Government, who took the same view.

I want to deal with amendments Nos. 22 and 25, tabled by my hon. Friend the Member for Harrow, West (Mr. Thomas). My hon. Friend the Member for Stalybridge and Hyde and I have already tabled amendments to make it clear that the term "parent" means all those with parental responsibility for disabled children. If, for example, a disabled child is being brought up by step-parents or grandparents, the Bill allows them to receive direct payments and to take advantage of the new voucher scheme. The problem with the amendments is that they also refer to foster parents.

Foster parents do not usually have parental responsibility for the children for whom they care. Parental responsibility remains with the parent, or may, as the result of a court order, have been granted to the local authority. When foster carers are looking after disabled children, the local authority has a range of responsibilities under the Children Act 1989 to support those placements.

Mr. Forth: I hesitate to ask this question because I have not had much experience in this area. However, it occurs to me that foster parents have been deemed to be suitable and appropriate, and the authorities have had to be satisfied as to their role. That might not always be the case with step-parents or grandparents and, therefore, what the Minister says appears to be back to front. Cannot we have greater reliance on the status of foster parents, rather than step-parents or grandparents?

Mr. Hutton: It does not usually stop the right hon. Gentleman asking questions if he does not know anything about the subject matter. I was talking about a specific concept of parental responsibility. It is not always the case that step-parents or grandparents have parental responsibility for a child with whom they happen to live. Parental responsibility is a legal concept, and we have to be clear about it.

Local authorities could arrange respite care for a disabled child to give the child a special holiday or to give the foster family a break, and regular reviews of all children in foster care provide the opportunity for ensuring that the welfare of the child has been promoted and the placement is receiving proper support. Where grandparents and step-parents do not look after disabled children, or indeed if they do but do not have parental responsibility, it is not for them to ask for direct payments or vouchers—it is for the parents who look after the children or child to do so.

The Bill is aimed at those with parental responsibility and at those in greatest need. I hope that my hon. Friend the Member for Harrow, West will agree that we should not extend the provisions of the Bill to other family members, who may have a proper interest in the disabled child but do not have parental responsibility for him or her. I hope that my hon. Friend will withdraw his amendments.

Mr. Gareth R. Thomas *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman cannot speak again on this matter. His amendments will stand or fall according to the decisions of the House before they come in the sequence.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 2

CARERS' PLAN

'.—Every local authority shall prepare a Carers' Plan setting out how it proposes to provide services to carers assessed under section 1.'.—*[Mr. Gareth R. Thomas.]*

Brought up, and read the First time.

Mr. Gareth R. Thomas: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 10, in clause 2, page 2, line 3, after "decide", insert—

'in consultation with the carer'.

No. 11, in page 2, line 8, leave out "whether or not" and insert "how".

No. 13, page 2, line 12, leave out—

'in the local authority's view'.

No. 14, page 2, line 16, after 'service', insert 'or other assistance'.

Mr. Thomas: Every local authority is already required by law to publish a community care plan, under the National Health Service and Community Care Act 1990. It is supposed to be good practice to include support for carers in that care plan, and local authorities are already under a legal obligation to consult carers on the plan. However, one of the problems with the community care plan documents that are produced by local authorities is that they are large and very general. For many carers, they are inaccessible.

The new clause proposes that every local authority should be under a statutory requirement to prepare a specific carers plan about how it proposes to provide services to carers. There are several clear advantages to that. Carers plans would provide much greater transparency for carers who wish to know more about how local authorities will take forward their new rights under the Bill. They would also allow greater accountability. The majority of local authorities are clear about how policy and practice should be executed in terms of the provision of services for carers, but the experience of the first year of operation of the carers grant demonstrated, according to research by the Carers National Association, that some local authorities do not always follow statutory guidance sufficiently closely.

One in 10 local authorities intended originally to spend less than 25 per cent. of the carers grant on services that provided carers with a break, even when the grant order specified that at least 75 per cent. of the grant moneys had to be spent on carers' breaks. To deal with that problem, this year's grant conditions specify that the local authority has to fill in a pro forma giving its clear intentions for spending the grant, so we are already close to local authorities having to produce a separate carers plan. The Carers National Association believes that the pro forma will help to standardise the information collected on the carers grant and ensure better accountability for carers, who will be able to see whether the new money is being spent on breaks rather than existing services.

A carers plan drawn up in consultation and partnership with carers would offer new weapons to help carers shape the way in which services are delivered to them. It could also help to foster better sharing of good practice. For example, carers plans could be linked to the Department of Health's new carers internet site, at www.carers.gov.uk, which is a welcome innovation.

All English local authorities were required to produce a carers plan in 1999 on how break services for carers would be developed. Social services inspectorate care regions report that most authorities have engaged well with carers and their representative organisations. I understand that the social services inspectorate care regions will follow up with local authorities how they continue to perform against last year's plans. If local authorities produced carers plans last year, there is no reason why they should not be required by the Bill to account to carers and local residents for how they are providing services to carers every year. There is considerable support for the work that carers do and considerable concern about the support they get. The publication of carers plans by local authorities would help to ensure that carers services receive the proper focus that they require from local authorities.

Last year, the Government announced some £20 million in 1999-2000 for the carers special grant. This year some £50 million will be allocated and, for 2001-02, the figure will be some £70 million pounds. If taxpayers' money is to be allocated for additional carers services, a carers plan would help to ensure that the money was properly accounted for. One of the conditions of the carers special grant was that local authorities reviewed, with other agencies, their provision of services to give carers a break from caring. Local authorities were required, in the first year of the grant, to involve and consult carers and their organisations on the appropriateness of existing provision and the possibility of greater diversity. Local authorities are therefore used to preparing carers plans and consulting with carers. I contend that they should be required to do so every year.

10.30 am

It was expected that where current services met needs last year they would be enhanced by the additional money, and that where more diversity was needed authorities would plan for the provision of further services. A carers plan would help to specify how those new services were being developed. Another key benefit of a carers plan is that it would help to solve a problem that many of us recognise—the lottery in the provision of carers services. Access to certain services is much greater in some local authorities than others, and the requirement to publish a carers plan would increase local authorities' accountability and reduce the sense of there being a lottery in provision.

Carers have a difficult time accessing their rights and receiving information about services. A carers plan would help to solve that problem. Research carried out by the Carers National Association in 1997 found that only 18 per cent. of carers providing substantial amounts of care had received an assessment of their needs. In 1994, the Carers National Association found that only 32 per cent. of carers had received a copy of the disabled persons care plan. In 1997, it found that some 85 per cent. of carers had received feedback since their assessment, but only 56 per cent. had received it in writing. However, more recent research carried out in 1998 found that 72 per cent. of carers had not received a copy of the hospital discharge plan that they

[Mr. Thomas]

needed. All that suggests that implementation of policy in some areas still needs further work and the spotlight provided by a carers plan would help to encourage local authorities further to develop and implement policy laid down by the Department of Health.

The problem of access to services was highlighted by the excellent social services inspectorate report that was published in November 1998, entitled "A Matter of Chance for Carers". It stated in its opening paragraph:

> The quality and type of support that carers receive remain a matter of chance. Support depends far more on where carers live and who they are in contact with within social services than what they need. Some carers are offered very sensitive practical and emotional support, but others receive no information about what might be available and they are not assessed.

A carers plan would clearly help to tackle the problem of lack of access to information. A requirement to publish a carers plan would also be a useful tool in Government efforts to reduce the lottery of care and would complement the development of new performance assessment frameworks.

Now that local authorities have to count the number of carers who are being assessed, they are becoming more conscious of offering assessments, ensuring that the right policies are in place and recording the right information. Of course, collecting statistics cannot guarantee that carers are given good assessments, but it is a step in the right direction. The publication of such information in a carers plan would clearly increase the accountability of those who are supposed to be providing services to carers.

A carers plan would also complement the Government's fair access to care initiative, which I understand has not yet been published. The Carers National Association very much hopes that it will further reduce the lottery of care.

The Government's concern about the range of eligibility criteria for services was flagged up as early as the 1997 social services White Paper. Again, a carers plan would help to complement efforts to standardise the eligibility criteria and make them fairer. Authorities tend to draw up eligibility criteria for social services based on the degree of risk to the disabled or elderly person. They use those criteria to determine, for example, whether an elderly woman with particular needs would have access to certain services.

Eligibility criteria also seem to exist for carers who try to exercise their right to assessment. Some carers have been told by social workers, "You're not in crisis yet, so you don't need an assessment." That goes against good practice and against the wording of the Carers (Recognition and Services) Act 1995 introduced by the Under-Secretary of State for Education and Employment, my hon. Friend the Member for Croydon, North (Mr. Wicks), which clearly states that carers have a right to request an assessment if they are providing regular and substantial care. The law does not require them to be in crisis for that to happen. What some carers are being told also goes against the Government's prevention agenda and is clearly against basic common sense.

A carers plan would facilitate the publication of such eligibility criteria and would help to hold local authorities to account. It would also complement efforts to break down the health and social care divide—an issue that concerns many hon. Members. It is a key issue for carers, who feel strongly about it. Research carried out by the Carers National Association in 1998 revealed that the first priority for the vast majority of carers was that health and social services should work closely together. Many respondents mentioned the problems of policy and service fragmentation and said that the need to break down the Berlin wall between health and social services was affecting the care that they were able to access. They commented on the experience of being batted between the NHS and social services. One carer said:

> social services should get together with the NHS to provide a joint package instead of arguing with them about who pays.

Clearly a carers plan would help to complement efforts to provide that joint package.

When the NHS and social services fail to agree to provide services, or fail to provide joined-up services, those who suffer are the disabled, the ill or the elderly. Carers are too often left to cope with unacceptable levels of caring responsibility.

Mr. Barron: My hon. Friend has gone into great detail about the current situation and he obviously believes that the carers plan is a major issue. However, in relation to a previous group of amendments, my hon. Friend the Minister said that the Government were considering strengthening guidelines to local authorities. Which is the best mechanism? Is it a carers plan that goes into great detail, or is it stronger central guidance to local authorities so that we no longer have the situation in which some people are more equal than others when it comes to accessing care from the local authority?

Mr. Thomas: I do not think it is a matter of having one or the other. We need stronger central guidance and a carers plan to throw a spotlight on how local authorities are responding to that guidance.

The challenge of having to produce a carers plan for public consumption would help to identify problems and make sure that the partnership grant, which is part of the modernising social services grant that will be provided by the Department of Health to local authorities in England over the next three years, is properly spent. I understand that the partnership grant is designed to encourage closer and more joined-up working.

We also have legislation to back up the notion of more creative joint working. The Health Act 1999 introduced a new way of closer working whereby there are clear benefits to be gained, including integrated services, pooled budgets and lead commissioning, and local authorities and health authorities can transfer their commissioning responsibility to each other. A carers plan would help to reveal just how successful local authorities and health authorities have been in responding to the Health Act 1999.

The Carers National Association believes that monitoring is extremely important as it is likely that areas that have better joint working relationships are more likely to be able to bid for budget flexibilities. A carers plan would clearly provide an important source of monitoring, which the Carers National Association has identified as particularly important.

The association asked what would happen in areas where there were poor joint working relationships. A carers plan would help to expose those poor relationships, and enable the social services inspectorate to take appropriate action.

As part of my research for this debate, I consulted the Alzheimer's Disease Society. I was told that about 5,000 people with dementia live in the Brent and Harrow health authority area, which means that there are at least two or three times that number of carers. Clearly, a carers plan would be of great benefit to people with dementia.

The society stressed that the amount of informal care provided by friends, volunteers and family is substantial. Two thirds of people with dementia continue to live in their own homes. A significant minority live alone, but most are cared for by family members, many of whom are elderly themselves. The society said that the shift in the 1980s from residential care to community care increased the burden on family carers. By providing more information, a carers plan would help to relieve some of that burden.

The Alzheimer's Disease Society made it clear that a partnership between carers, people with dementia and the staff who work with them is vital to the development of sustainable long-term care. A carers plan would show whether such a partnership was in place. If that partnership were not in place and working properly, a carers plan would help ensure proper accountability to carers and provide information about where they could turn for help.

The society told me that carers need practical support, which may take the form of financial help, respite care, training or information. A carers plan would help identify how much support carers need, and where they could find it. Recent research showed that a carer's ability to cope was the most significant factor in the shift from home care to institutional care, but that inadequate training and support for carers was widespread. A carers plan would help to show where such training and support was available.

The Government recognise the separate needs of carers, but many carers remain unaware of the support available. A carers plan would help them find out where the support that they need can be found. Respite—the provision of a break from caring—is one of the most frequent of carers' requests, as the House will know. It tends to be provided with the explicit aim of avoiding institutional care, so it is ironic that short-stay institutional care remains the most easily accessible form of respite provision for people with severe dementia or behavioural disturbances.

However, that form of respite is sometimes not the most effective or desirable form of support. Flexible, community-based models of respite include family support schemes and sitting services schemes. They extend the range of respite opportunities available and may enable a carer to continue to care for a person with dementia for a longer period.

Such alternatives are needed, and a carers plan would help people to know where those new forms of respite could be found. Some local authorities would be shown to be relatively advanced in the provision of that support compared with their neighbours. That might encourage those neighbouring authorities to increase support provision in their areas. High-quality respite care could also help to reduce levels of abuse and maltreatment of elderly people, according to the Alzheimer's Disease Society.

10.45 am

Carers report that they suffer less stress and anxiety and are better able to cope with their caring role if they have access to good information and support. A carers plan identifying the range of support available to carers could only be of benefit.

The voluntary sector is highly successful in providing information. The better carers are educated, the better they are able to cope with the changing nature of the disease. Carers have said that the early provision of support and training for family members and friends not only improves the quality of care for the person with dementia, but relieves some of the anxieties of carers. Access to the early provision of support and training would be facilitated by the publication of a carers plan.

Early support would also help carers understand their own emotional responses and need for support. It is worth noting that when a person with dementia moves into residential provision, carers often continue to provide care, albeit in a different role. Moreover, many carers continue to share their experiences with others, offering support and advice for many years after their own caring responsibilities have ended. A carers plan would enable former carers with experience of the health and social care system to contribute to discussions about the type of services that carers should be given. Former carers would also help to hold local authorities to account over the support that they give to carers.

Many carers suffer financial hardship, which often compounds their emotional and social problems and can lead to a deterioration in their mental and physical health. Information about the support available to carers through the benefit system could be properly identified in a carers plan, and would therefore be of immense benefit. I hope that the Government's changes and improvements to the benefits system will include increased support for carers. A carers plan would inform carers about those changes.

Carers are often less able to participate in social activities. They provide most of the care given to people with dementia, and it is essential that they are not penalised as a result. Again, access to information about the benefits available from the Department of Social Security and through the tax system would be part of a carers plan.

Mr. Burstow: I have listened to the hon. Gentleman's speech closely, and I agree with much of what he has said about the idea of a carers plan. However, he seems to be describing two very different purposes for the plan: one purpose seems to be to inform carers about their rights and the services available to them, but the second purpose seems to be that it should act as a planning document and a tool for making local authorities—the service providers—more accountable. Does the hon. Gentleman agree that those purposes do not fit well together?

Mr. Thomas: I do not agree. I believe that the two purposes fit well together. A carers plan would be an opportunity to provide information to carers and, by highlighting what was available for them, it would be a useful document in terms of holding local authorities accountable. In addition, a carers plan would help to inform the planning and delivery of services.

Carers also tend to forgo employment opportunities. As a result, they are often unable to contribute to pension schemes, and they can find it harder to return to

[Mr. Thomas]

employment when their caring role has ended. Information about returning to employment could be included in the plan.

Information for carers would be one of the most profound benefits of a carers plan. I have already flagged up the Department of Health's excellent carers website, which was launched on 8 February. That will provide Departments with the opportunity to put on the internet details of the services and benefits affecting carers that they provide. I think that carers plans, particularly those of the highest quality, should be linked in to such a website, making it easier for carers who have access to the internet to get information about what services the Government are providing.

Carers plans must properly reflect the needs of black and ethnic minority carers. I understand that the Department of Health has forged strong links with national and London black carers forums. I contend that carers plans would enable local authorities properly to identify what support they are providing to those groups of carers.

In the course of my preparation, I consulted the Parkinson's Disease Society. People caring for someone with Parkinson's disease might want specific information in a carers plan, such as where specialist clinics are available in the health service. They might want to see evidence of work by the local authority and the health authority that shows that efforts are being made to increase awareness of the disease among other professionals in the area, through better education and training. They might also want access to information on drugs given in everyday language. The carers plan could help to indicate where such information would be available. Carers might also want to know how to get access to information about new therapy changes and new support for carers at crucial times. Again, a carers plan could help to identify where such support was available locally.

The Parkinson's Disease Society is campaigning hard to achieve the target of having some 240 Parkinson's disease nurse specialists. At present, there are 75 in post, and they provide particular support to patients and carers across the United Kingdom. A carers plan could help to identify which local authorities have access to such nurse specialists, and could help to encourage other local authorities to put pressure on the health authorities with which they are in partnership to make funding available for more Parkinson's disease nurse specialists.

The Parkinson's Disease Society has made it clear that respite care is extremely important, and that it wants an increase in the provision of high-quality respite care services. A carers plan could help to show which local authorities were expanding their respite care services for those with Parkinson's. The society has said that the provision of emergency respite care is also crucial, so that a crisis affecting the carer does not result in the patient being placed in a residential setting. In an emergency, carers want immediate access to information on getting respite care as soon as possible. A carers plan might help to ensure that local authorities provide such information.

I flag up again the important issues of helping carers stay in touch with, or return to, the world of work. Thanks to Ministers in other Departments, carers now benefit from ONE, the single gateway, which brings together the Employment Service, the Benefits Agency and other welfare providers at a single point of contact. A carers plan would help to identify that single point of contact. The ONE service is a significant change in the service that clients currently get from the benefits system. The Government have said that they want carers and people with disabilities to hear about the help on offer, to allow them to make informed choices about whether to utilise the ONE service to enhance their employability in the short or longer term. Clearly, no client would be forced to look for work or to take any step following a personal advice meeting, but carers need to know where they can get access to such a service if they want to, and a carers plan would help in that respect.

My hon. Friend the Minister said in Committee that the Government would publish

> a new quality Green Paper on social services later in the year which will outline ways of providing better guidance to local authorities . . .

that is the point that my hon. Friend the Member for Rother Valley (Mr. Barron) made in an earlier intervention—

> in relation to cost-effective quality social care interventions.

He also said that the Secretary of State for Health had

> floated the possibility of a new social care institute of excellence . . .—[*Official Report, Standing Committee C*, 8 March 2000; c. 9.]

What better task for a new social care institute of excellence to begin with than looking at the carers plans produced by local authorities. What better way of showing carers the new guidance, through local authorities, than the publication of a carers plan.

My hon. Friend the Member for Halesowen and Rowley Regis (Mrs. Heal) spoke in the same debate about carers of people who are mentally ill. A carers plan could make a powerful contribution to identifying the support available to carers.

Mr. Hutton: I am reluctant to intervene on my hon. Friend while he is making his speech. However, the national health service framework for mental health, which was published in September last year, makes it clear that it is the responsibility of local authorities to provide a written care plan for those looking after people with mental health problems. That is also a sign that the Government are trying to ensure that carers feature prominently in service improvement right across the range.

Mr. Thomas: I am grateful to my hon. Friend for that intervention. I think that a carers plan can only help to make it clear where people can go to get access to information about assessments.

Amendment No. 10, in my name, suggests inserting the words

> in consultation with the carer

after "decide". This a probing amendment, which simply reinforces the obvious point that services for carers should be provided in consultation with them. We are not interested in recreating big brother; we are not saying that the local authority always knows best. The amendment would reinforce the point that services should not be provided on the basis of somebody remote from the carer deciding what is best, but in consultation with the carer.

I hope that in my few words I have explained properly to the House how a carers plan provision could benefit the Bill.

Mr. Forth: In spite of the eloquence of the hon. Member for Harrow, West (Mr. Thomas), to which I pay willing tribute, I confess that he has not carried me very far with him. I am worried about the extent to which the hon. Gentleman believes that the act or preparation of planning would resolve so many questions.

I confess at the outset that I have an instinctive unease about planning per se. I am now old enough to remember the national plan back in 1964, when George Brown told us that it would be the salvation of the nation. That did not last long, and I am surprised to hear that new Labour—to which, no doubt, the hon. Gentleman would want to attach himself—still holds that rather naive belief in the benefits of planning.

11 am

Setting that general objection to one side, I remain unclear, despite the pains that the hon. Gentleman took to explain his objectives following the intervention by the hon. Member for Sutton and Cheam (Mr. Burstow), about quite what he thinks the planning process would do. His ideas seemed to encompass the provision of information, which is not what I would regard as the normal objective of planning. On the other hand, they seemed to be about reassuring carers, which plans might or might not do. Thirdly, they seemed to be about setting out transparently the objectives of authorities and the way in which they proposed to meet the Bill's requirements.

The third of those objectives is the most legitimate and useful, but the hon. Gentleman's new clause does not make it explicit. In fact, it says very little, and it does not properly elucidate or pin down the many objectives that he set out. If we were to support the new clause—I would find great difficulty in doing so—I cannot see that it would add anything to the Bill's objectives or the proper provision of services to carers. It is too general, and would have to have been much more specific to be of any use.

Is the hon. Gentleman trying to reassure carers? Is he trying to reassure the Government by meeting the objectives either of their guidelines or regulations? I could see some point in that, but I am not sure that that was his objective. He hinted that the new clause would facilitate effective co-operation between the authority and, say, local health service bodies. There might be some point to that, but there was a lack of focus in what the hon. Gentleman said and in the simple wording of his new clause.

Responsibility for preparing the plan would clearly lie with the authority—at least, I think that that is clear. We need not question who in the authority would have to do that, but there is the time-honoured question of cost. The hon. Gentleman, understandably, did not deal with that, but we all know that planning carries costs. We must ask whether we believe that sufficient additional benefit—added value, in the ghastly modern jargon—would arise to justify the cost. Would not the money be better spent more directly on providing the services that are the Bill's objective? Unless we have a more accurate idea of the cost of the process suggested in the new clause, it is difficult to judge those points. Unless I were to be much more persuaded of the benefits, my feeling would be that the cost would be an unacceptable additional administrative burden on the local authority.

Mr. Barry Gardiner (Brent, North): I have listened carefully to the right hon. Gentleman and I sense a certain inconsistency in his argument. On the one hand, he says that the costs of preparing the plan are too great; that we must know what we are doing; and that it might be better to spend the money directly. On the other, he has suggested that we must know what we would be spending the money on but, in order to know that, the plan would have to have been prepared. There is a certain circularity in the right hon. Gentleman's arguments.

Mr. Forth: I see what the hon. Gentleman is driving at, but spending the money and preparing the plan would occur anyway. That would not be additional, as that process already happens. The new clause suggests a burdensome additional administrative and bureaucratic process, which would cost even more. Plans do not come free, as anyone with even limited local authority experience will know. Whatever additional benefits may accrue from the process suggested by the hon. Member for Harrow, West—I have my doubts about them—I suspect that the costs will not be justified. The risk is that that additional cost would come from moneys that could be more directly used to fulfil the purposes of the Bill.

Mr. Gareth R. Thomas: May I take the right hon. Gentleman back a year? The requirement that went with additional money provided through the carers special grant was that each English local authority had to produce a carers plan. The vast majority did so, increasing the partnership with health authorities and increasing services. If they could do that last year, surely they could do it in future.

Mr. Forth: That puzzles me even more. Back when the hon. Gentleman opened his remarks on the new clause, he set out in detail what already happened, and then seemed to want more, or the same again, or a reiteration of what we do, or some such thing. For that reason, the entire new clause seems otiose. He has just reinforced my doubts by telling us that all this is more or less done already.

Mr. Thomas: The carers plan was produced because a specific requirement for it was linked to the money from the Government for the carers special grant. That was a one-off requirement. Unless my new clause is successful, there will be no reason why local authorities will have to produce a carers plan in future. I contend simply that if it was successful last year, we should roll on that success to future years.

Mr. Forth: That intervention raises several further questions. First, if the process was successful, authorities would presumably—at least, possibly—want to follow it again. Secondly, the extent to which the process was deemed to be a success would in itself affect whether it should be repeated. It is implicit in the way in which the

[Mr. Forth]

Bill's ethos has been debated at every stage that we all assume a large amount of good will on the part of the Government and the local authorities.

Mr. Hutton: As a condition of this year's use of the carers grant, local authorities will be required to provide an updated version of their original plans. The planning obligation still features as part of the special grant regime.

Mr. Forth: That enables me to curtail my remarks, the House will he happy to hear. That seems to lay the whole matter to rest. I shall move quickly on to my concluding remarks, which relate to what the Minister has said.

I assume that, as there is a requirement for a plan, there is also a requirement to ensure the plans are satisfactorily and usefully drawn up. While the hon. Member for Harrow, West was speaking, it occurred to me that there was no provision in his remarks for any quality assurance. The process seemed unsatisfactorily loose, and I should like to hear from the Minister—following his extremely helpful intervention—an assurance that the process was satisfactorily carried out last year, and that mechanisms are in place, involving his officials or guidelines and the authorities who draw up the plans, to establish that the plans have a proper use and do much, if not all, of what the hon. Member for Harrow, West wanted. Can the Minister assure us that they would provide added value to the support and assistance that would be given to carers by the Bill? That is the main outstanding question.

Mr. Barron: I do not wish to speak for long. The Minister's recent intervention on the right hon. Member for Bromley and Chislehurst (Mr. Forth) goes some way to meeting my concerns. I am grateful to my hon. Friend the Member for Harrow, West (Mr. Thomas) for raising the matter, but I would find it difficult to support him. His speech was extremely well researched, and he made good points on several issues, particularly on hospital discharge and how carers, or people in the primary health care sector, gain information on the issues. Occasionally, they do not receive a service that is as good as today's information technology could provide. We should consider that issue.

Although I agree with many of the arguments made by my hon. Friend the Member for Harrow, West, I point out that, in the 1980s, my family had to deal with someone who had Alzheimer's disease, when there was little medical analysis of her condition. We cared for her within the family for many years; it was only at her death that she was found to have the disease. I do not criticise anyone involved, but the support services from the local authority and the health authority were pretty poor. Needs were not well met. That has changed, even though it is not enough to satisfy all individuals and organisations—I accept that entirely. However, matters have improved. During the past two decades, care for such people has become much better.

One of the points on which I disagree with my hon. Friend is that new clause 2 would give responsibility for drawing up the carers plan to the local authority. I am not attacking local authorities. I am a great believer in local democracy and in decisions on people's lives being taken as locally as possible. When we draw up legislation in this place, we do not know all the answers to people's needs. We may think that we do, but often we do not—as we find out later.

The important point is that the matter goes much wider than local authorities. The health authority has a large role in helping carers and people with disabilities to manage their lives in general. To suggest—as the new clause does—that local authorities should carry out that task on their own is not a good way forward.

I am sure that my hon. Friend the Minister will tell us—as he observed in his intervention—that there are other ways to handle the matter. Although I am sympathetic to care plans—as we all should be—because they give people rights, they also raise expectations. At present, there are different levels of care in local authorities and in health authorities. My fear is that, if we ask authorities to produce local care plans, those differences could be compounded and justified. In order to assist carers, what we should be doing is ensuring that best practice is observed throughout the system; we should improve matters for people and those being cared for as much as we can. To ask local authorities to draw up and justify care plans under the current system is probably not the best way to do that. We need improvements throughout the country rather than merely justifying the current system—as I suspect would be the effect of new clause 2.

Mr. Owen Paterson (North Shropshire): There seem to be two contrasting aims in new clause 2, as it was elaborated on by the hon. Member for Harrow, West (Mr. Thomas). If there is a disparity between the services provided by local authorities, there may well be justification for a document that analyses that disparity, so that those offering a service that is less good can improve it. However, it is easy to list a load of problems, establish an institutional reform and sweep everything into that dustbin. The hon. Gentleman outlined many problems in some detail and stated that the carers plan would resolve them. That would be our Aladdin's cave.

The problem is that a document that describes the differences between local authorities will be an extremely broad one and thus it will inevitably be bland. That will not help the people who need it. We all hear of traumatic cases—those are the people we should be thinking about. If the carers plan is to be really effective, it will have to consider almost every individual case.

Carers are being treated as a homogenous lump, but every carer is dealing with an individual problem. Many are in families, where, for example, an isolated elderly person has Alzheimer's. They have to cope with the whole range of disabilities—physical and mental—or with different physical surroundings. Some people may be in blocks of flats with wardens; others—as in my constituency—may be in isolated cottages in the countryside. Some people are caring for children. I know of one especially traumatic case involving a quadriplegic child who is completely mentally and physically disabled and will need care for her whole life.

As the hon. Member for Rother Valley (Mr. Barron) pointed out, to help such people effectively, we need an individual plan for every case. That is an ambitious project. It would obviously need a large number of staff and skilled people and large resources. It might be prohibitively expensive.

There might be merit in drawing up carers plans for individual cases, but I am not sure that the hon. Member for Harrow, West has really thought the matter through. There is a contrast between an effective plan that would help those individuals and a broad, bland document that compared disparities between the services delivered by local authorities.

I shall be interested to hear how the Minister intends to resolve the matter. It would be easy to establish a carers plan and say that all the problems outlined by the hon. Member for Harrow, West will go away—but they will not. To be effective, we need to focus much more on the detail, but to do that will be extremely expensive and time-consuming.

11.15 am

Mr. Pendry: Before I respond to the debate, I thank all those who spoke of my incapacity to undertake my proper role of speaking longer than my hon. Friend the Minister, who spoke earlier on my behalf. When he pointed out that I had left my sick bed to be in the Chamber, Members sitting close to me scattered. Only my hon. Friend the Member for Denton and Reddish (Mr. Bennett) was either brave or foolhardy enough to remain within reach.

Any of my hon. Friends who believe that the right hon. Member for Bromley and Chislehurst (Mr. Forth) does not have a big heart and that he does not care about people should read *Hansard* on Monday. I am grateful for what he said.

My hon. Friend the Member for Harrow, West (Mr. Thomas) introduced the new clause thoughtfully and well. I greatly appreciate the efforts that he put into the new clause and the amendments. I shall deal with the amendments as a group, because they cover the responsibilities of local councils to decide which services they provide to carers and how. It is right to put carers in that position. I understand why hon. Members have tabled amendments. Like all of us, they want carers to receive the services they need—we are all agreed on that. However, as has been pointed out, all the new provisions are either unnecessary or would reduce a local council's ability to make effective decisions based on its own eligibility criteria and on the professional judgment of its assessing staff.

In relation to community care, we must also be very careful not to put carers in a position that is preferable to that of the people for whom they care. We do not want to give the impression of discriminating against service users in favour of carers. We do not want to impose a duty on local councils to provide services to carers—we simply want to empower them to do so. Amendment No. 10 would reinforce what is already clearly understood to be a fundamental principle of good practice in both service users and carers assessments. In the latter case, practitioners are left in no doubt about their responsibilities to hold consultations with carers. Under the Carers (Recognition and Services) Act 1995, the policy and practice guide on the content of a carer's assessment includes such matters as the carer's perception of the situation, the nature of their relationship with the user, the tasks undertaken and the consequent impact on the carer and the tasks with which they would like help.

My hon. Friend the Minister has already made a helpful intervention on that point. I am sure that he will want to say more. However, I know that he is adamant that similar unequivocal guidance will be issued if the Bill receives Royal Assent. I therefore ask my hon. Friend the Member for Harrow, West to be reassured and to withdraw the amendment.

Amendment No. 13 similarly seeks to remove the local authority's ability to judge whether particular services will help a carer. As I have said, good practice dictates that such a decision will follow discussions with carers, very much taking their views into account. It must also be made within the parameters of the council's eligibility criteria, which will prioritise within the council's resources the support of those with the greatest needs. If the final arbiter of the appropriateness of a service were not the local authority, whose view would matter? If the decision fell to carers, they would once again be in a better position than the service user, and that can be seen only as discriminatory. I therefore ask my hon. Friend the Member for Hendon (Mr. Dismore) not to press his amendment.

Amendment No. 11 would impose a statutory duty on local authorities, rather than create a power to provide services to a carer following an assessment of need. I would not want—I am sure that no hon. Member would—carers to be put in the position where the people for whom they care have no such right. I therefore urge my hon. Friend the Member for Halesowen and Rowley Regis (Mrs. Heal) not to press her amendment.

On amendment No. 14, the Bill enables local councils to offer carers support in order to meet their assessed needs as carers or to maintain their health and well-being. That support or assistance is expressed as

the delivery of a service.

The term is generic and includes assistance in the form of, say, a direct payment, which would enable a carer to purchase the services to meet the assessed need. On the basis of that explanation, I urge my hon. Friend the Member for Erith and Thamesmead (Mr. Austin) not to press his amendment.

I understand that the purpose of new clause 2 is to ensure that the legislation is properly considered and that councils give thought to the provision of services and also support carers as they carry out their caring role. I understand from my hon. Friend the Minister that the Department of Health would expect such an exercise to be conducted as part of the on-going planning and priority-setting work of social services departments. I am sure that my hon. Friend will wish to say more about that, but for those reasons I ask my hon. Friend the Member for Harrow, West to withdraw the new clause.

Mr. Hutton: I shall try to be brief. I certainly lend my support to my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) in his unwillingness to accept the group of amendments and the new clause, and I endorse all the arguments and his reasons for doing so.

Like my hon. Friend, the Government are committed to striking the right balance. We want to empower carers—of course we do. That is precisely the thrust behind the national carers strategy and, in fact, the main thrust of my hon. Friend's Bill. Several references have been made, including by my hon. Friend the Member for Harrow, West (Mr. Thomas), to the practical ways in which the Government are expressing their support for that commitment. They include the special carers grants that total £140 million, which will be made available over the

[Mr. Hutton]

next three years to provide carers with additional-break services. Several hon. Members have referred to the conditions that relate to the use of that grant, about which I shall say one or two words in a second.

It is important that we strike the right balance, as my hon. Friends have said. While empowering carers, we must be careful to ensure that there is no diminution of the rights of those who receive support from carers. We cannot allow the needs of those who are cared for to be recognised any less or their statutory rights to appear in any way less favourable than those of carers. We must have consistency and fair treatment between carers and those being cared for. For the reasons that my hon. Friend the Member for Stalybridge and Hyde has expressed, amendment No. 11 would make it harder for us to maintain such a level playing field.

The Government are committed to promoting the independence of disabled people. We have set up the Disability Rights Commission, for example, and are hoping under the Bill to extend the direct payments scheme. The best way of supporting carers is often to support the service user as flexibly as possible. I know that my hon. Friend the Member for Stalybridge and Hyde has been only too mindful of the need to strike a balance between the interests of service users and of carers.

The Government want councils to have the flexibility to support carers in ways that best meet their needs without compromising the rights of service users. We therefore welcome the approach of my hon. Friend in giving local authorities a duty to assess on request, but a power to provide services that they deem appropriate under their eligibility criteria. Such important eligibility criteria for carer services do not exist at the moment, but we will ensure—I am sure that the House will want us to do so—that policy and practice guidance on the Bill, when it is enacted, will support councils in developing them.

Other work to support that important process is in fact already under way. An equitable approach to meeting the needs of service users and carers is a key plank of the Government's policy. Over the coming months, as my hon. Friend the Member for Harrow, West said, policy and practice guidance on a new initiative to ensure consistency in social services eligibility criteria will go out for consultation among local authorities and others. When the comments received have been duly considered, guidance will go to councils on how best to ensure greater consistency and transparency in implementing future eligibility criteria. I say to my hon. Friends the Members for Harrow, West and for Rother Valley (Mr. Barron), who has an interest in the matter, that such guidance will have statutory effect under the Local Authority Social Services Act 1970.

If the Bill receives Royal Assent, the Department of Health, as my hon. Friend the Member for Stalybridge and Hyde has pointed out, will make good use of the opportunity to revise and strengthen the guidance for practitioners who conduct carer assessments. As my hon. Friend rightly said, the full participation of carers will form a crucial part of that guidance. So, for the reasons that he has made clear, amendment No. 10 is not necessary. We shall also seek to address the fact that there has never been a simple, carer-friendly guide on carers rights, which we shall put right, too.

On new clause 2, I find myself in the rather odd position of agreeing with the right hon. Member for Bromley and Chislehurst (Mr. Forth). We shall have to keep that between the two of us. We need to be careful not to add unnecessarily to local authority planning obligations. In fact, I think the opposite; we should be looking to simplify the planning requirements that we place on local authorities.

As my hon. Friend the Member for Rother Valley rightly pointed out, we should be encouraging greater co-operation between health authorities and local authorities. If we approach the issue of carer services from the perspective that I am afraid underlines the new clause, responsibility will fall entirely on local authorities. I understand why my hon. Friend the Member for Harrow, West has phrased the new clause in such a way, because the Bill is about local authorities, but to place the planning responsibility for improving carer services solely on councils would be to misunderstand the nature and purpose of this entire area of social policy. We must ensure that we encourage greater partnership between health and local authorities in improving the way in which all local authority services for carers are delivered.

My hon. Friend, who obviously takes a very close interest in such issues, will want to know that there is much work under way to improve the planning process in the area. He will be aware, although he did not refer to it in his speech, that we are trying to encourage health and local authorities to develop new joint implementation plans locally in a number of key areas which will benefit and interest carers, including learning disability, mental health and services for older people. In all such areas, a significant amount of work is under way. My hon. Friend also rightly referred to the way in which we are intending to ensure that we raise the quality and level of social services performance through, for example, the development of our new performance assessment framework, which will be of particular benefit to carers.

My hon. Friend the Member for Stalybridge and Hyde was right to say that, if the Bill receives Royal Assent, the Government intend that planning for carer services should become part of the mainstream of planning and priority setting in social services. Local authorities are, of course, already preparing plans under section 46 of the National Health Service and Community Care Act 1990. Those plans are an important source of information for non-statutory bodies and, of course, the public—I know that my hon. Friend the Member for Harrow, West is interested in empowering members of the public—on how an authority intends to implement its community care responsibilities. Local authorities are required by the 1990 Act to consult widely on those plans. Statutory directions that emphasise the need for authorities to consult all those involved in community care, including representatives of independent-sector providers, other agencies, such as health and housing authorities, and representatives of both user and carer groups, have been issued.

11.30 am

The guidance on preparing plans helps to ensure that local councils adopt a long-term strategic outlook to community care planning. It encourages better joint planning between local health and housing authorities and full involvement of relevant local agencies in the successful delivery of high-quality care. The guidance is also designed to provide stronger partnerships between all

agencies involved in the delivery of community care and with users and carers themselves. It is consciously generic so as to provide a firm foundation to underpin the many other programmes and plans that local authorities prepare. In addition, there are the plans that local councils are revising and reviewing as a condition of receiving the three special grants to promote independence. They do that through breaking down barriers between health and social services, encouraging early intervention to prevent crises, and supporting carers who wish to continue to care.

As I said in an intervention on the right hon. Member for Bromley and Chislehurst, the revised plans for the spending of the carers special grant for this financial year must be sent to the Department of Health by the end of May. The right hon. Gentleman was concerned whether we were satisfied about the adequacy of those plans and the arrangements for making sure that the money is spent in the way that we intend. I assure him that we are satisfied in all those respects. We take a very close interest in ensuring that the money that Parliament provides to support carers services is spent on carers services, and not anywhere else.

This has been a helpful debate in that a number of centrally important issues on the development of carer services have been aired. For all of the reasons that my hon. Friend the Member for Stalybridge and Hyde spelled out, and given the extra assurance that I have been able to give about aspects of how the Government intend to implement the Bill and to develop services in the future, I hope that my hon. Friend the Member for Harrow, West will not press the new clause to a vote.

Mrs. Heal *rose—*

Mr. Deputy Speaker: Order. May I say to the hon. Lady that it makes for orderly debate if Members seeking to speak to an amendment that they have tabled or to make a contribution to a group of amendments speak when they are given the opportunity to do so earlier in the debate? We have now had a reply from the promoter of the Bill and the Minister. There is no automatic right to speak a second time, so any remarks made now might not be answered.

Mrs. Heal: Thank you, Mr. Deputy Speaker. I certainly thank you for your indulgence and I apologise for being remiss in not catching your eye earlier.

Mr. Deputy Speaker: Order. I should perhaps also say that I had received an—indirect it is true—message from the hon. Lady that she did not intend to speak. That is why we find ourselves in this situation.

Mrs. Heal: Thank you very much, Mr. Deputy Speaker, for giving me this opportunity to speak. I will restrict my remarks, having heard the comments already made.

I tabled amendment No. 11, which would leave out "whether or not" and insert "how" on page 2, line 8. It relates to local authorities and assessments. It is important for us to stop and consider the position in which many carers finds themselves. The amendment is about implementation of the clause. It would ensure that uncertainty for carers is removed. Clause 2(b) already refers to whether a local authority could be satisfied (wholly or partly) by services which the local authority may provide.

My amendment would make the local authority address the question of how those services will be provided. The Bill already makes sufficient reference to give the authority discretion if that is so required when the assessment has been completed.

Uncertainly and lack of information have existed for far too long for carers. They are unsure whether they are entitled to services and, if so, what those services will be and, more important, how and when they will be delivered. The "how" is important, because how the services are delivered may enable many carers to live some of their lives and may provide them with some quality of life in addition to the care that they offer to a disabled person. They may have the opportunity to take a break themselves or to continue working. Therefore, how and when services are provided is a crucial issue.

I craved your indulgence, Mr. Deputy Speaker, in allowing me to speak to the amendment. I hope that it still may be considered or that, at least, my remarks on it will be considered by the Minister.

Mr. Andrew Dismore (Hendon): I apologise to you, Mr. Deputy Speaker, for not rising earlier. I had expected to follow my hon. Friend the Member for Halesowen and Rowley Regis (Mrs. Heal).

I shall make a couple of brief points about the amendments and in particular amendment No. 14. I want to follow up a point made by the Carers National Association about the definition of services for carers. It is concerned particularly about transport for disabled people to and from day centres and it fears that the way that the Bill is currently drawn could mean that that becomes defined as a carer service, because it would help a carer to care and would provide respite time while the person being cared for is at the day centre.

The association says that the clause's wording is problematic because it introduces the possibility that carers could be charged for services that were previously considered to belong to the user. I shall amplify that point when we come to my amendment to clause 7.

On Second Reading, an indication was given that the issue would be considered at a later stage, perhaps on Report. As far as I can tell, it has not been addressed, so I hope that my hon. Friends the Member for Stalybridge and Hyde (Mr. Pendry) and the Minister, who unfortunately have already replied to the debate, will bear my points in mind as the Bill progresses, I hope, to its later stages.

Mr. Gareth R. Thomas: I want to respond briefly to what has been a useful debate. I fear that I have perhaps not carried the House with me on the new clause. I have ranged against me my hon. Friend the Members for Rother Valley (Mr. Barron) and for Stalybridge and Hyde (Mr. Pendry) as well as my hon. Friend the Minister, not to mention the perceived alliance with the right hon. Member for Bromley and Chislehurst (Mr. Forth).

I am grateful to my hon. Friend the Minister for his assurances and very much welcome the fact that a carers plan will be required because of the special grant moneys that will be available next year. Therefore, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Clause 1

RIGHT OF CARERS TO ASSESSMENT

Mr. Dismore: I beg to move amendment No. 1, in page 1, line 5, leave out "16" and insert "14".

I have a sense of déjà vu in raising this issue. On Second Reading, it was one of the concerns that I flagged up when I said:

> The Bill provides additional facilities for carers aged 16 and over.—[*Official Report*, 4 February 2000; Vol. 343, c. 1377.]

I wondered then whether we should not consider in Committee—I do not think that it was considered there—whether 16 was the right cut-off point. I thought that there was a case for including even younger carers.

When I researched my Second Reading speech, I was staggered to learn from the national carers strategy, which I shall refer to shortly, that between 20,000 and 50,000 young carers look after parents or elderly relatives and that many of them receive no support from statutory or voluntary services. It was in that context that, after Second Reading, I started to do a bit more digging on the issue, and that led me to table the amendment that would reduce the age to 14.

To get more local background information, I spoke to the young carers project which operates in Barnet and Hendon. It is an interesting project which is jointly financed by the London borough of Barnet, Children in Need and the Millie Apthorp trust. It is based at the friends in need joint project in Barnet. The project told me that, in its view, young carers include anyone from the age of six to the age of 18. Indeed, it has on its books several carers who are aged six and who have to make a contribution at home. It is staggering that children as young as six are getting involved.

The amendment does not suggest that children of six should be able to request the facilities to be provided by the assessments in the Bill, but there is a case for considering an age younger than 16, which is the school-leaving age. I suspect that many of the carers who would be caught by the Bill as it is at present phrased would be over the age of 16. We know, however, from research to which I shall shortly refer, that children sometimes find that their school work is affected. The age of 14, when children start doing GCSE courses, would be an ideal point at which they could become eligible to request additional assistance from the local authority.

Some local authorities are starting to address those needs. I mentioned the young carers project in my borough which is trying to work with the local authority and to build links with GPs and schools to help to identify and support young carers. The biggest problem is identifying carers and getting them to come forward. Nobody really knows how many young carers there are in my area, but the best, conservative estimate that I have been given is that there are 200 or more. They desperately need help, but that help must be specifically targeted at younger carers' needs. By reducing the age in the Bill, and thereby including a younger age group in its provisions, we may be able to address young carers' concerns.

Examples of what the project in my constituency does will inform the argument. It organises time-out meetings at which young carers can meet other children in the same position and age group. The idea is for them to meet and socialise, and not necessarily to discuss their caring responsibilities, although I suspect that they do. The project provides an after-school drop-in service with support, information and advice, which is specifically geared to the needs of young carers. Those services are targeted at that particular age group, which my amendment seeks to address.

The project organises monthly outings, and next Saturday it will take young carers to TGI Friday, the hamburger restaurant. That may not seem a big deal to many people, but it is a big deal for those young carers. If they have a disabled sibling, it can be problematic for the family to go to a restaurant together, and enabling young carers, as a group, to take advantage of that facility is a brilliant idea. Such ideas could well be overlooked if we do not consider the amendment, which would help to identify the particular needs of young carers. The project also runs workshops in schools to try to raise the awareness of children who may not realise that they are carers—they may have drifted into caring. There are also drop-in sessions in schools.

"Caring about Carers", the national strategy document, devotes a chapter to young carers, and I want to highlight one or two of the problems that particularly affect those in the age group that we are discussing. The document says that they may have to care for

> a parent with a physical illness, disability . . . or dependency on alcohol or drugs.

They may have to look after

> an elderly grandparent who is frail, or who has a health problem or disability

or, as I have just said, a sibling with a health problem or disability.

The strategy particularly highlights the problems facing children in single-parent families in which the parent is in need of support. Those children are particularly likely to spend a large part of their time providing care. Amending the age specified in the Bill to 14 would help those children. Fourteen-year-olds are starting to want to be independent and to develop their own life, but carers, particularly those in single-parent households, find it difficult to do so, not least because of financial constraints on the family. We must enable local authorities to meet the needs of carers aged 14 and over by allowing the carers themselves to ask for assistance. That is what my amendment seeks to achieve, and it would start to address their needs.

We know from the strategy of the problems that carers experience at school, particularly with homework and qualifications. If they can receive assistance outside school, through respite care or a drop-in centre, they may be able to prepare for their GCSEs, free from their caring responsibilities, for two or three hours in the evening. We know also of the problems of isolation from other members of the family.

The strategy identifies the lack of time that young carers have for play, sport or leisure activities. That is exactly the sort of problem that the young carers project in Barnet is trying to address. My amendment would provide great support to those children by enabling them to make their position known to the local authority and have their needs recognised.

11.45 am

Under section 17 of the Children Act 1989, social services departments can help young carers by considering whether their welfare or development might suffer if support is not provided. The Bill tries to go beyond the existing narrow definition used in providing assistance to carers, and my amendment would strengthen the position of that age group and go beyond the provisions of the Children Act by giving them more rights.

Under the Carers (Recognition and Services) Act 1995, young carers can ask for an assessment of their needs, but many are not aware of that. Some local authorities are reluctant to advertise the fact because they are concerned about raising expectations. The Bill is trying to raise expectations and to fulfil them. If we do not recognise that younger carers are reluctant to come forward and ask for their needs to be recognised, we run the risk of creating a loophole in the Bill. Fourteen-year-olds are of an age when they begin to make their views known, and by reducing the age in the Bill to 14 we can empower them to do so.

The amendment will also strengthen the hand of projects such as the one in my constituency when they visit schools to raise young people's awareness. They will be able to tell 14-year-old carers that they have rights and should ask the local authority to assess them and meet their needs, and that the project will assist them in doing so.

There is a strong argument for the amendment, and it applies not only to 14 to 16-year-olds, but to carers in single-parent families, whom I have mentioned, and carers from minority groups. We know of their problems from the national carers strategy. I dealt with that issue on Second Reading so I shall not do so again, but those carers have special needs that need to be identified.

We can use the Bill to help carers aged 14 to 16 by working with local authorities, schools, projects and GPs to try to identify young carers and to provide them with support. With those brief remarks, I hope that I have made a case for reducing the age limit to 14 which will at least be answered by the Bill's promoter. Let us try to empower young people, who are getting older at a younger age, if hon. Members see what I mean. We need to take a little more responsibility for them, particularly at the time in their life when they need additional help with their schooling.

Mr. Forth: I am rather unhappy with the argument for a number of reasons. The hon. Member for Hendon (Mr. Dismore) referred in passing to the Carers (Recognition and Services) Act 1995, which interestingly says in its definitions that

"child" means a person under the age of eighteen.

I set aside that fact, as well as recent debates in the House and in another place, about ages of consent.

What really bothers me is that the hon. Gentleman apparently not only sanctions but encourages the concept that someone as young as 14 should be given the enormous responsibilities of being a carer in the full sense of the word. That may well happen, and in some circumstances it may well even be unavoidable, but do we want to go so far as sanctioning it by including it in an Act of Parliament?

I understand the hon. Gentleman's argument that we should give statutory recognition to what is already happening, but I would rather go in the other direction and have a community and governmental responsibility for trying to ensure, as far as possible, that no 14-year-old has the full responsibility of being a carer. Certainly, that should not be sanctioned by law, which would be the effect of the amendment.

I go further: where there are financial implications, as there are in the Bill and in other statute, should we be entrusting taxpayers' money to someone who is 14 years of age? I take a different view of youth from the hon. Gentleman. I believe that one of the big mistakes that we are making is to try to hustle young people into adulthood and responsibility too early. I regret that young people these days seem to have shorter and shorter childhoods and seem to be hustled in every conceivable way into what I would style premature adulthood. The amendment strikes me as yet another step in that direction. That is why I have severe reservations about it.

I am just about content with the fact that the Bill defines the age as 16. It does not make me particularly happy that someone of that tender age should have such responsibilities, but I suppose that, in practice, one has to go along with that as a reality of modern life. However, I would certainly want to resist any effort to reduce the age further. I hope that either the promoter of the Bill or the Minister will be able to reassure me that what they have in mind is that we should try to alleviate any responsibility that may rest with 14-year-olds as much as we possibly can. I grant that, in some circumstances, such responsibility may be unavoidable, but our objective should be to use the panoply of existing legislation and to use the Bill, which I hope will become an Act, to that end.

Mr. Russell Brown (Dumfries): I hear what the right hon. Gentleman is saying. There are occasions when circumstances arise that are unavoidable. Should we not offer young people the protection and support that they need when those circumstances do arise?

Mr. Forth: I hope that that would take place in any case. I hope that the existing mechanisms and those that the Bill seeks to add would do that. What I am resisting is that we sanction and write into legislation the fact that we almost expect people as young as 14 to fulfil those responsibilities—we risk formalising that.

I accept what the hon. Gentleman is saying—we must try to ensure that wherever that terrible responsibility is placed on someone of those tender years, they get the fullest possible support and the requirement is placed on them for as short a time as possible. That is a world away from building the matter into legislation and saying, "Well, because we are making the provision, we assume that it will happen." It would not take a lot to persuade me that we should make the relevant age higher than 16, but that is not a debate for today. I am content to stick with the Bill as it stands. For that reason, I oppose the amendment.

Mr. Tom Pendry (Stalybridge and Hyde): May I first say that I am grateful for the way in which my hon. Friend the Member for Hendon (Mr. Dismore) proposed his amendment, but I have more in common with the right hon. Member for Bromley and Chislehurst (Mr. Forth). That alliance seems to be continuing—long may it

[Mr. Tom Pendry]

continue during this day. The amendment would give young carers aged 14 and 15 the right to an assessment under the Bill of their ability to provide and to continue to provide care and the right to receive services either directly or via direct payments on that basis.

We have to consider carefully the position of young carers. Some of them are old enough—it is true—to be able to undertake a reasonable level of caring responsibility and they will do so willingly out of love for their parents. It is entirely proper that that goes on in families in the ways that families think best.

Other young carers are obliged to undertake levels of caring responsibility that actually harm their future prospects as they miss out on opportunities of education, leisure pursuits, time with friends, part-time work and so on. The Bill must send the right message about young carers—they should not undertake levels of caring that are damaging and they should receive the most appropriate levels of support.

My hon. Friend the Member for Dumfries (Mr. Brown) intervened, rightly, to ask a particular question. At the moment, young carers receive valuable support from local authorities. They are seen as children in need under the Children Act and services are provided that safeguard and promote their welfare. The amendment would enable 14 and 15-year-olds to opt to be treated in the same way as adults who choose to care and are caring on a regular and substantial basis. They could, for example, if given a right to request an assessment under the Bill, request direct payments instead of receiving services directly from their local council.

In my view, when young people of that age are also carers they already have too many responsibilities. We want to relieve those burdens, not run the risk of adding to them, so I would wish to be assured that councils were delivering adequate support to the service user, so that young persons were not undertaking a substantial and regular load of caring responsibilities. I am sure that the House would agree that we do not want young carers' futures blighted by their caring responsibilities, thus undermining their need to participate fully in education and leisure activities.

I have, as the House will have noted, included young carers aged 16 in the Bill—some people are quite unhappy but are prepared to live with it, as the right hon. Member for Bromley and Chislehurst has said—because there are a small number of situations in which a 16 or 17-year-old is choosing to undertake a substantial and regular caring role for a period: for example, if a parent is terminally ill. In those circumstances, it could be more helpful in terms of the young person's personal development for their local council to support them actively if they positively choose to adopt a role that one would otherwise wish to ensure they were not burdened with.

I hope that my hon. Friend, having listened to those arguments, will not press his amendment, because I do not believe that it helps 14 and 15-year-old carers. I hope that, on that basis, he will agree to withdraw his amendment.

Mr. Hutton: I support the comments of my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) and those of the right hon. Member for Bromley and Chislehurst (Mr. Forth). My hon. Friend the Member for Hendon (Mr. Dismore) is a lawyer; I am a lawyer; there are lots of lawyers in this place, and we all know that when we make legislation, it is, by definition, about where we draw lines. Under the Bill, we are extending choice and flexibility to young carers—for example, through the extension of the direct payment scheme. My hon. Friend the Member for Stalybridge and Hyde has made a judgment about where that line needs to be drawn. We fix it in the Bill at 16 because we feel that it is the appropriate place to establish that line.

The amendment would raise exactly the sort of scenarios to which both my hon. Friend the Member for Stalybridge and Hyde and the right hon. Member for Bromley and Chislehurst have referred—14-year-olds would receive direct payments. On that ground alone, we need to consider some serious issues of public policy, quite apart from the separate issues that they have referred to in relation to the wider responsibilities of young people and young carers in our society.

By way of information, I should say to my hon. Friend the Member for Hendon, in case he is concerned about his amendment and its relationship to the Bill, that my hon. Friend the Member for Stalybridge and Hyde was right to point out the existing protection and support that the Children Act provides to young carers, as they can be considered as children in need. He will be aware, too, that this year, as part of the conditions relating to the use of the carers grant, it will be possible for local councils to support, for example, young carers projects. I am hopeful that local authorities will use their freedom and discretion to do that.

12 noon

Additionally, my hon. Friend the Member for Hendon will be aware that the Government are supporting a range of other programmes to provide better support in meeting the needs of younger people. I draw his attention to the additional resources going to support child and adolescent mental health services. Although some hon. Members may question the relevance of such services to this debate, they are relevant to it, as one aspect of such services may well be to provide the counselling and support that is crucial in enabling young people to continue their caring responsibilities, perhaps to members of their own families.

All hon. Members will be aware from constituency case work and from knowledge of our own families of the stresses and strains that caring responsibilities can create for young people. The right thing to do if we are to ensure that services are available to meet the needs of young people is to ensure that appropriate services are available locally, supported by national health service trusts and local authorities, to provide better support in meeting the counselling and mental health needs of young people, which includes those of young carers.

The Government are taking action across the board to meet some of the concerns to which my hon. Friend the Member for Hendon has rightly drawn attention. The position of young carers is a matter of very serious concern to the Government and, I am sure, to the House. It is tragic to see the life of a young person affected adversely by the assumption of very substantial caring responsibility. No hon. Member wants to see that happen. We are working very hard with local government, the

NHS and others to ensure that we develop a more effective range of services to support young people who have those caring responsibilities.

I am sorry, to tell my hon. Friend the Member for Hendon that my hon. Friend the Member for Stalybridge and Hyde and I are not convinced that the right thing to do is to lower the age threshold to 14. For all the reasons given by my hon. Friend and the right hon. Member for Bromley and Chislehurst, and in the context of the Government's pursuit of our wider objectives, I think it would be wrong to make that change in the legislation.

I therefore hope that my hon. Friend the Member for Hendon will feel able to withdraw his amendment, not because we are turning our backs on young carers—we most definitely are not—but in recognition of the fact that, in the context of the Bill, the amendment would be counter-productive.

Mr. Dismore: I think we are all singing from the same hymn sheet, although we are perhaps approaching the issue from different directions. I certainly agree with the point made by the right hon. Member for Bromley and Chislehurst (Mr. Forth)—I certainly would not want my amendment to be seen as sanctioning the practice of young people engaging in such caring activities. I was merely trying to recognise the sad reality that some children are in that position. I agree with all those who spoke in the debate that we have to try to address the issue within the bigger picture. I am also very grateful for the comments of my hon. Friend the Minister and my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry).

In moving my amendment, I have tried to put on the agenda the issue of young carers. However, I certainly take on board the point about direct payments, which is a valid argument against the amendment—there could be difficulties if people in that age group received potentially substantial sums. My objective was to raise the issue of identifying those young carers and empowering them to ask for assessments of their needs. However, as has been said, perhaps that issue could be better addressed as part of the general legislation to protect children.

In those circumstances, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Dismore: I beg to move amendment No. 2, in page 1, line 11, after "assessment", insert "within 42 days".

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 4, in page 1, line 14, leave out "may" and insert "shall".

No. 5, in page 1, line 15, leave out—

', so far as it considers it to be material,'.

No. 8, in page 1, line 26, leave out "considers appropriate" and insert—

'shall agree with the carer'.

Mr. Dismore: The amendments in this group are relatively straightforward, and I should be able to explain them relatively quickly. The purpose of the amendments is to tighten up clause 1 a little.

Amendment No. 2 provides that, if a local authority conducts an assessment at the request of a carer, it should do so within a fixed time limit, which I have suggested should be 42 days. I should think that six weeks is ample time for an assessment to be made. I am concerned that some, although by no means all, local authorities do not give the priority that they should to carers' issues, and that, without some type of time limit, the performance of an assessment could be delayed and end up on the back burner, so that carers who ask for an assessment could wait weeks or months for an assessment. I am sure that we have all heard of cases in which there have been such delays.

As statutory responsibilities have not been drawn sufficiently tightly, assessments are sometimes delayed. In amendment No. 2, I am simply trying to establish a time limit. Although I am not wedded to a 42-day time limit, I think it is reasonable to expect local authorities to conduct an assessment within six weeks. Nevertheless, I realise that, across the country, the ability of local authorities to perform such assessments will vary. I hope that, if 42 days is not acceptable to my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) and the Minister, they will propose an alternative time limit.

Mrs. Spelman: Although we all perfectly understand where the hon. Gentleman is coming from, there is one small point. He wants to ensure that the assessment occurs within a reasonable time. However, consultations that I have had with local authorities have exposed one problem, which is that the process can be delayed by the lack of medical information. I wonder whether the hon. Gentleman has taken account of that factor.

Mr. Dismore: The hon. Lady has made an important and interesting point, and perhaps I could have improved the phrasing of my amendment by saying that the time limit would commence after the receipt of medical evidence from a general practitioner, consultant or other medical practitioner. It is a fair point.

Equally, it is important that we should establish a time frame in which the assessments should be performed. Although there may well be practical difficulties such as those she described, I am sure that we could establish a time scale that took account of those difficulties. If 42 days is not a practical time limit, I should be happy to consider alternative suggestions. Nevertheless, it is important to incorporate a time limit in the Bill.

Amendments Nos. 4 and 5 are related, and both are also an attempt to tighten up clause 1. Clause 1(2) mentions assessments under the Carers (Recognition and Services) Act 1995. The clause appears to leave it to the local authority to decide whether to take an assessment into account and suggests that it does not much matter either way. That is wrong. If an assessment has been conducted, it should be taken into account.

Amendment No. 4 would delete "may" and insert "shall". I am sorry that the right hon. Member for Penrith and The Border (Mr. Maclean) is not in his place, because when he was a Minister at the Home Office and I was a campaigning solicitor, we spent many happy hours in the law courts arguing about whether "may" meant "shall" and "shall" meant "may". The case ended up in the House of Lords, where I am pleased to say that I won the argument and he lost, at great expense to the then Conservative Government. Whenever I see the word "may" in legislation, I think that "shall" would be clearer.

[Mr. Dismore]

Amendment No. 5 would delete the superfluous words

so far as it considers it to be material

because an assessment under the Carers (Recognition and Services) Act 1995 must be material to some extent.

Amendment No. 8 is not in my name, but I should like to mention it briefly, because empowering carers is important. This goes back to points that were made on a previous group of amendments about the need for carers to be involved at every stage of the process. We should not simply give local authorities what may amount to dictatorial powers to decree what people will get whether they like it or not. We must ensure that local authorities and carers work together—although I hesitate to go back to arguments about care plans—and try to involve carers more in agreeing a package of care and how assessments should be conducted, rather than simply leaving it to the discretion of the local authority.

Mrs. Heal: My hon. Friend the Member for Hendon (Mr. Dismore) has already touched on some of the points that I wanted to make about my amendment No. 8. With the support and encouragement of the Government, local authorities are reaching out to carers and involving them in more than just consultation, which in many ways they have been involved in for years. Carers have played their part gallantly and, in addition to their caring responsibilities, have given their time, expertise and suggestions to local authorities. They have done that willingly, because they have felt that their contribution was important and valued. They hoped for an improvement in services not just for themselves, but for the person for whom they were caring. The well-being of the cared-for person is always paramount for carers.

Slowly but surely, carers are gaining a voice and saying that they, too, have needs and should be listened to. Consulting and involving people is not sufficient. We have already talked about partnership and empowerment. I endorse those concepts. If they are to be meaningful to the millions of carers in this country, my amendment should be accepted, because only then will they feel valued.

This is not about what carers want. It is about their agreement and involvement. We should make it clear to carers and to the local authority that conducts the assessment that it must be done in an atmosphere that involves the agreement of the person to whom the services will be supplied.

Mr. Paterson: I am worried that the amendment that the hon. Member for Hendon (Mr. Dismore) tabled would make the Bill too prescriptive. I understand why the hon. Gentleman wants to include a time limit to ensure that the bureaucratic process does not take too long. However, as I said when we considered a previous group of amendments and, as my hon. Friend the Member for Meriden (Mrs. Spelman) pointed out, much depends on medical assessments.

Some cases in my constituency involve highly specialised medical assessments by consultants who are often in different parts of the country. Regrettably, those high falutin people take time to make their assessments. Although I sympathise with the desire of the hon. Member for Hendon to set a deadline to ensure that decisions are made, the bureaucratic process should not take over to such an extent that medical information is not available.

I have more sympathy for amendment No. 8, which the hon. Member for Halesowen and Rowley Regis (Mrs. Heal) tabled. Each case is different; that applies not only to each carer but to each person who is cared for. We cannot be prescriptive and issue a diktat from the centre to cover every case. I like the hon. Lady's wording:

shall agree with the carer.

The carer must be involved because no one is better qualified to analyse matters than those people whose lives are tied down 365 days a year to the details of cases: the family background, the physical circumstances, the medical conditions, the relationships with doctors and other people. Nobody knows that better than the carer.

I like the wording of amendment No. 8, but not that of amendment No. 2, which is too prescriptive and might lead to a lack of essential medical information.

Mr. Burstow: I, too, support amendment No. 8, which the hon. Member for Halesowen and Rowley Regis (Mrs. Heal) tabled. In earlier debates, we considered the need to strike a balance between the carer and the disabled person. We also need to strike a balance between the strong power of the local authority as the assessor of the need and the person whose need it assesses. The amendment provides a useful opportunity to explore that a little further.

The balance is also relevant to the disabled person whose care needs are assessed and for whom a care plan is drawn up. Transparency and clear statements in the care plan are required so that plans can be challenged and the authorities that set them made accountable. A requirement for the process to have the carer's agreement is therefore sensible. However, perhaps the wording of amendment No. 8 will not achieve that, and I look forward to the response of the hon. Member for Stalybridge and Hyde (Mr. Pendry) and of the Minister. The spirit and intention of the amendment is worthy. Perhaps another form of words could be found to effect the amendment later in the Bill's passage.

Mr. Pendry: I congratulate my hon. Friends the Members for Hendon (Mr. Dismore) and for Halesowen and Rowley Regis (Mrs. Heal) on the way in which they spoke about the amendments. They are caring amendments and I understand the spirit that lies behind them. I appreciate that my hon. Friends have tabled them because they support the Bill.

Amendment No. 2 would ensure that the benefits of carers assessment are secured as quickly as possible. We all support that. However, hon. Members have constituents who care for people who have refused an assessment. The amendment might not work in their best interests. The amendment would require authorities to be satisfied that a carer cares for a person for whom they provide or arrange the provision of services and to carry out an assessment "within 42 days" of the carer's ability to provide and to continue to provide.

I am sure that most hon. Members would acknowledge the need for local councils to ensure a speedy assessment and provision of services to support the carer. However, I support local discretion to ensure the highest quality

outcome through the quality of the evidence on which decisions are made. I therefore ask my hon. Friend the Member for Hendon to withdraw the amendment.

On amendments Nos. 4 and 5, clause 1 gives informal carers of 16 and older who provide or intend to provide a substantial amount of care, the right on request to an assessment by the local council of their ability to provide and continue to provide care. Clause 1(2) allows a council to

take into account, so far as it considers it to be material,

any assessment that may have been made for the carer under the Carers (Recognition and Services) Act 1995.

12.15 pm

Clearly, when the information already held is up to date, it is in the best interests of both carer and council to allow the council discretion to take account of an assessment conducted under the 1995 Act. One reason is that flexibility is likely to speed up the delivery of services to carers; another is that it would be both bureaucratic and costly for councils to be required to undertake unnecessary additional assessments. The amendments would place a duty on councils to take into account the last assessment under section 1(1) of the 1995 Act, even if a carer's circumstances had changed since that assessment. That cannot be in the best interests of either carer or council.

I thank my hon. Friend the Member for Halesowen and Rowley Regis (Mrs. Heal) for tabling an amendment that would ensure that assessments were conducted in a way that encouraged the participation of carers. However, for two reasons, I ask my hon. Friend not to press the amendment to a Division. First, current guidance on good practice in the assessment of service users and carers is already clear: it states that participation in the assessment process is key. Secondly, my hon. Friend the Minister has assured me that the regulations that will be drafted to accompany the Bill will give local authorities a duty to ensure that such issues are discussed.

My hon. Friend the Member for Halesowen and Rowley Regis can rest assured that carers' involvement in their assessment is integral to the fabric of the Bill. Support for people who choose to be carers requires an understanding of how individual carers' roles affect them, and that can be ascertained only through a fully participatory assessment process. I hope that on that basis, too, my hon. Friend will not press her amendment to a Division.

Mr. Hutton: It is clear to all of us—I know my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) agrees—that it is imperative for assessments to be made as quickly as possible. As always, the question is whether we want to create a statutory limit, and my hon. Friend has advanced some powerful arguments as to why that may not be the best option.

By means of several initiatives, we are trying to ensure that local authorities carry out assessments quickly. We have already done two things. My hon. Friend the Member for Harrow, West (Mr. Thomas) mentioned the performance assessment framework. As part of our drive to improve the performance of social services departments, we have established key indicators to determine whether authorities are providing services effectively and efficiently. There are 35 indicators, but there will soon be 50.

A number of the indicators relate to how effectively authorities are delivering services to carers. One relates specifically to how quickly carers receive help. The performance assessment framework, and the performance of authorities judged against it, will inform the use of the best-value powers taken by the Government under the Local Government Act 1999. We will not tolerate poor performance; we will not tolerate circumstances in which carers' needs are not assessed quickly and efficiently. If we tolerated those things, we would sanction not just poor practice but ineffective service. There is no doubt that support for carers will be better as a result of consultation and involvement with users, and will be better if it is provided as quickly as possible. My hon. Friend the Member for Stalybridge and Hyde was right to draw the attention of my hon. Friend the Member for Halesowen and Rowley Regis (Mrs. Heal) to commitments we gave in Committee that we will ensure that guidance and practice notes issued in the context of this legislation will emphasise the importance of good practice, including involving and consulting carers in the assessments. I make that commitment again today, and the guidance will have statutory effect under section 7 of the Local Authority Social Services Act 1970.

Mrs. Spelman: The Minister is giving an important explanation of how the legislation will work in practice. Is there any system of penalties if, as the Minister suggested, the Government can no longer tolerate the actions of a local authority in relation to the indicators?

Mr. Hutton: Yes, and those new powers are contained in the Local Government Act 1999. If there is a serious and persistent failure on the part of the local authority to deliver effective social services to its local community, the Government have a range of measures that they can use to ensure that performance is corrected. We will not hesitate to use those powers if that is the right thing to do. So a remedy is available, but we wish to promote and encourage good practice by local authorities in several ways. One way is through the development of new local charters in relation to the "Better Care, Higher Standards" programme, now under way, under which local authorities will fix their own local charters in relation to performance in social services and related areas. That, too, will help to ensure that local authority performance is improved. It will be improved primarily because carers will have access, at a local level, to the information contained in the charters and will be aware of what buttons they need to press to ensure that the services are delivered appropriately and promptly.

My hon. Friend the Member for Stalybridge and Hyde also referred to amendments Nos. 4 and 5. If we were to incorporate those provisions, we would do a substantial disservice to carers, because the effect of accepting the amendments would be to place a duty on local councillors to take account of the last carers assessment under section 1 of the Carers (Recognition and Services) Act 1995, even if the circumstances of the carer and/or the person being cared for had changed since that assessment was carried out. There is no logic in tying the hands of the local authority to an out-of-date assessment. I am sure that my hon. Friend the Member for Hendon would accept that.

[Mr. Hutton]

Like my hon. Friend the Member for Stalybridge and Hyde, I have come to the conclusion that the amendments should not be accepted. They would not improve the Bill and I hope that my hon. Friend the Member for Hendon will withdraw them.

Mr. Dismore: I have listened closely to the cogent arguments put forward by my hon. Friends the Minister and the Member for Stalybridge and Hyde (Mr. Pendry) and I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Deputy Speaker: I call Mr. Pendry to move the next amendment.

Mr. Pendry: I thought that the amendment stood in the name of my hon. Friend the Member for Halesowen and Rowley Regis (Mrs. Heal).

Mr. Deputy Speaker: The amendment stands in the names of three Members, and as the hon. Gentleman's is the first, and as he is the promoter of the Bill, I did him the courtesy of calling him. However, I now call the hon. Member for Halesowen and Rowley Regis instead.

Mrs. Heal: I beg to move amendment No. 38, in page 1, line 17, leave out "carer" and insert "individual".

This is a small but practical amendment, and it is close to the hearts of many carers. The amendment has two purposes. First, it would ensure consistency with the Carers (Recognition and Services) Act 1995. Secondly, it would narrow the definition of a carer.

Clause 1(3) is similar to the provision in the 1995 Act in that it ensures that only informal carers will have access to the rights in the Bill. Specifically, the Act states that anyone who undertakes care as part of their employment or as a volunteer cannot access those rights. The current drafting of the Bill differs in one respect from the previous Act in that it uses the word "carer" in the first line of the subsection rather than the term "individual". The first purpose of the amendment, therefore, is to ensure that the Bill is consistent with the carers Act by changing the word "carer" to the word "individual" in line 17.

The amendment's second purpose is to ensure consistency of definition. Using the word "carer" automatically suggests that the two groups not entitled to the provisions under the Bill could be considered to be carers in other circumstances. The two groups are people who are employed as care assistants and those who provide care as volunteers.

This is a relatively minor amendment, but it is very important philosophically. No legislation other than the 1995 Act refers to a "carer". The National Health Service and Community Care Act 1990 refers to private carers, and the Disabled Persons (Services, Consultation and Representation) Act 1986 refers to carers by describing the activities that they perform. The Care Standards Bill, which is concerned with regulating care assistants, does not use the term "carer" to mean people who are employed. Instead, it uses the term "social care worker".

As the rest of the clause mirrors the wording in the 1995 Act where appropriate, it seems that this is a minor drafting oversight. I have no doubt that other hon. Members who are involved with carers in their constituencies are also aware that carers feel very strongly about protecting the definition of a carer. The Carers National Association, which firmly backs the amendment, agrees with my view, as does my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) and I am pleased that we have an assurance from the Minister that he too will support it.

Some people do not like labels, but carers who are happy to be labelled as such become very distressed when other groups of people, such as care assistants and care workers, are labelled as carers. That is not because they do not value the work of those who are paid carers, but because they value what the term carer means to them and their families. It is a recognition of the role that they play and the work that they do, albeit unpaid.

Of course, colloquially, many people continue to refer to care assistants as carers. The amendment will not change that, but it will keep the legal definition as simple and consistent as possible. That would also be desirable as community care law is already so complex. I propose therefore that we consider this simple and practical amendment.

Mr. Pendry: Thank you, Sir Alan, for giving me pole position in relation to the amendment, but as the diligence and persistence of my hon. Friend the Member for Halesowen and Rowley Regis persuaded the Minister and me to go along with it, I thought that she should have the opportunity to shine. I am grateful to her for that. The amendment would clarify further the distinction between informal carers, who provide or intend to provide a substantial amount of care on a regular basis, and care workers and volunteers.

It would be wrong for the Bill to use the term "carer" loosely to include care workers and volunteers, although I accept that that is standard parlance. I am sure that the Minister will want to respond to the amendment, so having said those few words, I congratulate my hon. Friend.

12.30 pm

Mr. Hutton: The amendment would safeguard the definition of a carer and make clearer the distinction between an informal carer who cares for a relative or friend, and a paid care worker or volunteer. The amendment would certainly strengthen the definition, and the Government are happy to support it. I urge the House to accept it.

Amendment agreed to.

Mrs. Heal: I beg to move amendment No. 9, in page 2, line 2, at end add

'and "volunteer" means somebody who may receive out of pocket expenses but not paid remuneration in relation to caring responsibilities.'.

My comments on the amendment need only be brief, as it follows from what I said on amendment No. 38. I want the Bill to make it clear that volunteers helping family members with their caring responsibilities could receive help towards any expenses, such as travel expenses, that might be incurred. Such volunteers would not receive paid remuneration under the Bill, but the amendment would ensure that they could receive help with out-of-pocket expenses.

Mr. Pendry: I understand why my hon. Friend has tabled the amendment, but I can reassure her that

subsections (3)(a), (3)(b) and (6) of clause 1 mirror parts of the Carers (Recognition and Services) Act 1995, which has never caused the confusion that she has envisaged. The adoption of the language of the 1995 Act is a good thing in its own right, but it also ensures the smooth working of the dual regimes in social service provision for which that Act provided. For those reasons, I hope that my hon. Friend will withdraw the amendment.

Mrs. Heal: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 2

SERVICES FOR CARERS

Mr. Hutton: I beg to move amendment No. 39, in page 2, line 18, after "services", insert—

'and they both agree it is to be so delivered'.

Mr. Deputy Speaker (Mr. Michael Lord): With this it will be convenient to discuss the following amendments: No. 15, in page 2, line 20, at end insert—

'without the consent of the person cared for'.

No. 37, in page 2, line 20, at end insert—

'(3A) A service cannot be provided to a carer where it could otherwise be provided to the person cared for if it—

(a) is one which could fall within community care services; and

(b) is one that the person cared for does not object to receiving as a community care service provided to him.'.

Mr. Hutton: Amendment No. 39 stands in the names of my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) and my right hon. Friend the Secretary of State. However, Mr. Deputy Speaker, you have only just taken charge of our proceedings and may not be aware that my hon. Friend is suffering from the effects of illness. As I explained to Madam Speaker earlier, I am, with my hon. Friend's agreement, happy to take the load off his shoulders in moving this amendment.

I shall begin by explaining some of the background to the amendment, which is probably one of the most important selected for debate today. If the House accepts it, it will strengthen the Bill significantly. In discussions with carers organisations, my hon. Friend the Member for Stalybridge and Hyde and I identified the need to reassure people that a carer and the person cared for must both agree in cases where a service is provided to the carer but is delivered to the cared-for person. The fact that two other amendments that touch on that point have been tabled by hon. Members highlights the concern about that issue.

The amendment would make it explicit in the Bill that agreement needs to be obtained in the cases I have described. To ensure that the balance of the Bill is retained, the amendment covers both the carer and the cared-for person. It provides that the carer must agree to having the service provided, and the cared-for person must agree to the service being delivered. I am pleased to say that the amendment now has the support of the Carers National Association.

I take this opportunity to repeat assurances given in Committee that if the Bill receives Royal Assent, the Government will issue guidance to local councils under section 7 of the Local Authority Social Services Act 1970. That will cover the use of this new flexibility, so that it does not compromise or put at risk the position of the carer or the cared-for person. I hope that my hon. Friend the Member for Harrow, West (Mr. Thomas) and the hon. Member for Sutton and Cheam (Mr. Burstow) are reassured by amendment No. 39 and so will not move their own amendments, but support this one.

Clause 2(3) was never intended to operate as a sort of sleight-of-hand under which carers could be double-charged for services delivered to the cared-for person. I hope that amendment No. 39, together with amendment No. 33, which we shall come to later, will put to rest any such concerns.

I am grateful to the hon. Member for Sutton and Cheam for his amendment No. 37 on this general area. I fully understand the point that he and the hon. Member for St. Ives (Mr. George) are making. I think, however, that amendment No. 39 deals with their concerns in a better way, because it emphasises the need for both the carer and the cared-for person to agree to the services being delivered to the cared-for person. Both parties should be fully satisfied about the way in which services are to be delivered. This is the fair way to proceed in what is, by common consent, a sensitive area. The amendment will ensure that that happens. It will ensure that clause 2(3) will have the effect that we always intended it to have, but will allow us to retain the flexibility for services to be delivered in the most sensible way possible.

Amendment No. 39, together with amendment No. 33, will, I hope, deal with the very genuine concerns expressed by hon. Members and carers organisations that carers might be treated unfairly as a result of the way in which clause 2(3) and clause 4 have been drafted. My hon. Friend the Member for Stalybridge and Hyde has been determined to avoid any such outcome, and I am pleased that he has taken the initiative in putting matters straight. I hope, therefore, that the House will support amendment No. 39 and that the other two amendments in the group will not be pressed.

Mr. Burstow: I wish to speak briefly to the amendment in my name, although I should say at the outset that I will probably not press it, for the very good reasons that the Minister has given. However, it provides me with an opportunity to revisit one or two points that were explored in some detail in Committee.

The Minister gave a very welcome indication in Committee on 8 March that he and the hon. Member for Stalybridge and Hyde (Mr. Pendry) were minded to bring forward an amendment on Report. Although I am not entirely comfortable with the precise drafting of the amendment, I think that, by and large, it addresses the concern that the Bill as it stands unintentionally creates a loophole, and that some local authorities might decide to drive a coach and horses through it to redefine particular services in such a way as to shift the financial burden from one party to the other. As the Minister has said, that is not the Government's intention. It is in that context that my amendment was tabled.

We have discussed several times today the need to be sensitive to the balance of interests between the disabled or cared-for person and the carer. I am strongly of the view that we must be mindful of the need to promote

[Mr. Burstow]

independence for the disabled person within that relationship wherever possible. That is one area in which my amendment attempted to give the final deciding influence and interest to the disabled person. Amendment No. 39 does at least give both parties a say. Although I still think that it would be better to give a signal that we want to empower and promote independence for the disabled person, the Minister's arguments go a very long way to meeting the concerns that were expressed outside the House and which I and other hon. Members raised in Committee.

I shall not press my amendment because the Minister has clearly presented his case.

Mrs. Spelman: We sought this important amendment after the Committee stage because everyone saw a loophole in the Bill as originally drafted. I remain concerned, however, that a problem remains, which was in fact the birthplace of the Bill. We want to deal with the problem where carers and those for whom they care have to come to an agreement about the help provided—when no agreement is reached, the carer sometimes becomes short. The amendment improves matters but, sadly, breakdowns in communications happen. In Committee, we heard of families where there is strain between the carer and the cared-for person simply because of the pressure involved in looking after someone with a disability. Relations can break down and agreement may be lacking. I ask the Minister to discuss that scenario in his reply.

In its most recent briefing, the Carers National Association remained concerned that the loophole may still exist. It would be possible for a local authority to identify a service such as transport to and from a day care centre as one that benefits the carer. The respite bought for a carer when a disabled child can go to a day care centre is valuable, but the danger remains that the carer may fall into a gap through lack of agreement or because local authorities seek to limit costs in providing assessed needs. Will the Minister assure us that one set of interests will not be played off against the other?

The boundaries that must be drawn between services and a support to the carer and to the cared-for person are difficult. There is a danger that the boundaries will become too blurred. Although the amendment improves matters, I want to be sure that scope remains for achieving the optimum solution for the carer and the cared-for person.

Mr. Gareth R. Thomas: I apologise for not having been present at the start of this debate. I want to speak briefly to my amendment No. 15. It is a probing amendment, so I do not intend to push it to a vote. It expresses concern from the Carers National Association about use of the word "intimate". The association's briefing points out that as intimate services are not defined, it is difficult to explore the scope of the provision.

I am concerned that services such as bathing, which may be offered to a disabled person to make the carer's life easier, might be unintentionally excluded from the Bill. My amendment would allow such services to be provided with the consent of the person being cared for. I ask my hon. Friend the Minister to clarify the Bill's intentions.

12.45 pm

Mr. Hutton: The debate has been useful, and I shall address some of the remaining concerns about this aspect of the Bill. During our debates on Second Reading and in Committee, we tried to explain why we had drawn up clause 2(3) as we did. It was designed to give local authorities extra flexibility in the provision of services to carers. As I pointed out when I moved the amendment, the provision was never intended to be a camouflage—some device through which local authorities could mysteriously move the charging obligation for services either for the carer or for the cared-for person. Concerns were raised about that matter, so the amendment was tabled to put it beyond doubt.

Although amendment No. 39 is not grouped with amendment No. 33, hon. Members will realise that both are an attempt to deal with the issue. They make it clear that we were not inadvertently constructing a device that would, in effect, penalise carers if services delivered to the cared-for person were actually provided to the carer. I hope that the amendment will command the support of the House. It attempts to put the matter beyond reasonable doubt.

The hon. Member for Meriden (Mrs. Spelman) referred to consent—agreement between the cared-for person and the carer. When I moved the amendment, I made it clear—as my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) would have done had his voice been with him—that the matter is sensitive. We cannot force people to accept services against their will. That would be intolerable for both the carer and the cared-for person, especially in regard to some of the services that would be covered by that provision—those of an intimate nature. To ensure that the consent of both parties is specified will be an important clarification of the clause.

The hon. Lady is right to point out that in some cases there may be no agreement between the carer and the cared-for person about the services delivered to the carer. However, I suspect that that is a fact of life. Such problems have always been with us; the Bill has not manufactured them out of thin air.

Mr. Burstow: That is the dilemma that the Bill was introduced to solve. If the cared-for person does not give consent to an assessment of their needs, the Bill unlocks the gate so that the carer can be assessed too. We have now slightly shifted downstream the point at which such conflict might arise. Can the Department give strong and clear guidance to local authorities to assist them in dealing with those sensitive issues and relationships?

Mr. Hutton: I shall say something about that issue in a moment, if the hon. Gentleman will bear with me. He is right to trace the history of the measure and the problem that it tried to resolve. However, the matter that he highlights is addressed in another part of the Bill.

The measure will allow services to be provided directly to the carer, notwithstanding the fact that the cared-for person has refused a community care assessment under the National Health Service and Community Care Act 1990. Those services can be provided directly to the carer. We are talking about services that could be described as "either way"—they could be offered to the carer or to the cared-for person. The background to clause 2(3) was an attempt to give local authorities greater flexibility in

designating their services, so that services could go to the cared-for person via the carer if that was convenient to both parties.

That was always the intention of that provision. It was never intended to be some careful device, cooked up by others, to allow local authorities, under their charging policies, to recover more from service users. That was never the purpose. My hon. Friend the Member for Stalybridge and Hyde has always made it clear that that was his view. In a Bill designed to empower and enable carers to receive better support, neither he nor I would support a provision that would knock them back to a situation in which they were unfairly treated or compromised financially. We shall not do that; that is why we tabled the amendment.

On the point that the hon. Member for Sutton and Cheam has just raised about local authorities, new flexibilities under clause 2(3), I tried to spell out in my opening remarks—I am happy to do so again—that we certainly intend to issue guidance, which I remind the House will have statutory effect under section 7 of the Local Authority Social Services Act 1970, on how local authorities may use such flexibilities, so double protection is built in. Amendment No. 39 will make it clear that the consent of both parties is needed, and we have the back-up of the force of section 7 statutory guidance.

Through this amendment, together with amendments that we shall debate in a minute, we have been anxious—my hon. Friend the Member for Stalybridge and Hyde has been so particularly—to ensure that the Bill reflects the perfectly fair and reasonable concerns that have been expressed. We recognised the potential for the sort of circumstances to which hon. Members have referred on Second Reading and in Committee, and believe that amendments Nos. 39 and 33 will lay such concerns to rest. The Bill's original intentions can be reconfirmed and clarified, and we can move on.

Amendment agreed to.

Clause 3

VOUCHERS

Mr. Huw Edwards (Monmouth): I beg to move amendment No. 36, in page 2, line 27, after 'services', insert—

'in lieu of the care'.

Clause 3 makes provision for the issuing of vouchers for the taking of short-term breaks. All hon. Members will recognise the importance of respite care and that the provision of vouchers is one of the Bill's fundamental principles. I introduced a ten-minute Bill on respite care—short-term breaks is now the preferred term—a couple of years ago.

It is important to clarify the relationship between carers and the cared-for person. The amendment is necessary to ensure that there is no change in that relationship. Carers care out of duty and love. As drafted, the clause suggests that carers provide "services". We would normally expect such services to be provided under a contractual relationship by an outside body, such as a local authority, the health service or a voluntary organisation. It is slightly problematic to regard the relationship between the carer and the cared-for person as one in which the carer provides services.

The amendment would formalise the relationship, which is essentially based on love and duty. Any of us who have known the relationship—I well recall my mother having to care for her elderly mother for several years—know that carers are not providing direct services but serving out of love and duty.

The term "services" implies that there might be entitlements and that there will be standards and a claim on the carer, which I am sure hon. Members would regard as inappropriate. I therefore ask the House to accept the amendment in order to ensure the maintenance of the status quo in the relationship between the carer and the cared-for person. I believe that the Government will agree that the amendment is in the spirit of the Bill, and I hope that my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) is able to accept to it.

Mr. Burstow: I added my name to the amendment for many of the reasons that the hon. Member for Monmouth (Mr. Edwards) has just described. When we are attempting to support family and caring relationships, we should not try to formalise them under service provision. The Bill poses such a danger. The hon. Gentleman is right to have highlighted that by tabling the amendment. I hope that in response to the debate, we shall hear how such a downside could be avoided.

We are about recognising and valuing carers, and ensuring that their needs are assessed at an early opportunity and that they receive the services that they need to be able to fulfil the caring responsibility that they have taken on. To turn the relationship into a contractual one is entirely wrong and we should attempt to avoid the Bill giving that signal. I hope that the hon. Member for Stalybridge and Hyde (Mr. Pendry) can reassure us on that. If the amendment will not achieve our aim, I hope that something will be done at a later stage to give effect to our intention.

Mr. Pendry: I am grateful to hon. Members for their suggestion. We had a Conservative-Labour alliance earlier and now there is a Lib-Lab alliance—perhaps that is the way forward.

I am grateful for this helpful amendment. It serves to highlight the distinction between the support that informal carers provide and the sort of services provided by health and social services and other service providers. Service providers must see carers as partners in the provision of help to the persons needing support and must involve them as partners. However, as the amendment suggests, it would be unhelpful to view the help provided by informal carers in exactly the same light as services provided formally by statutory or voluntary providers.

Most caring is founded on close personal relationships. Sensitive and effective support for the people who choose to be carers involves understanding the unique impact of each carer on his or her caring role, as well as acknowledging the vast contribution that carers make to society as a whole.

Both contributions on the amendment were short. I shall be short in saying that I hope that the House will accept the amendment.

Amendment agreed to.

Clause 4

ASSESSMENTS AND SERVICES FOR BOTH CARER AND PERSON CARED FOR

Amendments made: No. 29, in page 2, line 42, leave out "(1)" and insert "(2)".

No. 30, in page 2, line 43, leave out "(1A)" and insert "(2A)".

No. 31, in page 2, line 45, leave out "such an assessment" and insert—

'an assessment under subsection (1) or (2)'.

No. 32, in page 3, line 1, after "1", insert—

'or (*Assessments: parents of disabled children*)'.—*[Mr. Hutton.]*

Mr. Hutton: I beg to move amendment No. 33, in page 3, line 27, at end insert—

'( ) The local authority's decision under subsection (4) is to be made without regard to the means of the carer or of the person cared for.'.

Mr. Deputy Speaker: With this it will be convenient to discuss amendment No. 48, in page 3, line 27, at end insert—

'( ) The decision of the local authority under subsection (4) is to be made taking full account of the means of the carer or person cared for and determined appropriately.'.

Mr. Hutton: May I clarify, Mr. Deputy Speaker, whether we are also discussing amendment No. 34?

Mr. Deputy Speaker: We are discussing amendment No. 33. If it is of any help to the Minister, may I point out that we shall deal with amendment No. 34 after this group? We are now on amendment No. 33.

Mr. Hutton: Thank you, Mr. Deputy Speaker.

After discussion with my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) and in recognition of the fact that he is losing his voice, he is happy for me to move this amendment which stands in his name and that of my right hon. Friend the Secretary of State for Health.

During the first sitting of the Committee, my hon. Friend referred to a meeting that he and I had with representatives of carers and persons with parental responsibility for disabled children. One of the matters discussed was the concern to ensure that an opportunity is not created for councils to take account of who is best able to pay a charge when deciding whether to provide services as carer services under the Bill or as community care services under the National Health Service and Community Care Act 1990.

It was recognised that such an opportunity could in theory arise because the Bill offers the fullest flexibility to councils in the services that they may offer carers to ensure that the actual needs of individual carers are properly met. To tackle that point, the hon. Member for Sutton and Cheam (Mr. Burstow) tabled his elegant solution to the problem in the second sitting of Committee. His amendment forms the foundation of the amendment that I move today.

Amendment No. 33 will add a new subsection to clause 4, so that it becomes possible to ensure that decisions made by councils about whether a service can be provided to the carer as a carer service or to the cared-for person as a community care service do not take account of the financial resources of the individuals concerned.

I am afraid that amendment No. 48, to which the right hon. Member for Bromley and Chislehurst (Mr. Forth) will speak shortly, has the opposite effect. It is entirely contrary to Government policy on social care. Let me explain to him why. We have already discussed the matter in part in relation to an earlier amendment, when he asked whether resources should be taken into account when needs are assessed or when liability to a charge is assessed.

1 pm

Councils' decisions about an individual's eligibility for community care services must be based on an assessment of their needs. The financial assessment of individuals as part of a council's charging policy is a subsequent step in the process. The level of people's resources should not, however, alter the assessment of the sort of help that they need with everyday tasks.

Amendment No. 33 is therefore entirely consistent with our policy. Once again, we have listened to carers and people with parental responsibility for disabled children. We are taking action—indeed, my hon. Friend the Member for Stalybridge and Hyde has already done so—to ensure that the Bill addresses their concerns. I therefore urge the House to accept amendment No. 33, but I strongly urge it to reject amendment No. 48.

Mr. Forth: I am the first to concede that, almost certainly, this is not an appropriate time to have a full-blown debate about what is crudely known as means testing. However, I do not want the occasion to pass without at the very least making a nod in the direction of the argument, as I have been bothered by the matter for some time. We need to return to the matter from time to time to ensure that we are all happy about where we are going.

Section 17(8) of the Children Act 1989 states:

Before giving any assistance or imposing any conditions, a local authority shall have regard to the means of the child concerned and of each of his parents.

Amendment No. 48 very much reflects the spirit of that. I make no apology for offering an argument made since the invention of the welfare state, and asking whether it is right or sensible to deliver a taxpayer-funded service to people who are well able to provide for that service themselves or for those for whom they have taken responsibility. That is an old argument covering familiar territory which, none the less, is relevant in the context of the Bill.

I therefore wish to ask the Bill's promoter and the Minister whether they are still satisfied that it is a proper and correct use of taxpayer-funded resources, services, personnel and so on to support people who are patently and demonstrably well able to look after themselves financially. I have always thought that that was the wrong way to go, and—if I can put it this way—have always been a means tester. I have always thought that taxpayers' money should be properly focused and directed at those who can demonstrate that they need such assistance.

I am therefore opposed to blanket provision, whenever it arises. I have always thought that giving taxpayers' money for whatever purpose—however laudable or justifiable—to everyone, regardless of their means, is absurd. We all know of people who are elderly or, as in this case, disabled, who have considerable resources. It looks odd to ordinary taxpayers if their money is channelled through taxation to provide services or benefits to such people who are much better off than them.

We are obliged to return frequently to that question, if only to reassert the view—which the Government take and which has been expressed today by the Minister—that it is perfectly proper to tax those who are not well off and give that money to people who are much better off than those taxpayers. It is difficult to defend that principle. Of course, I accept that my argument implies a certain degree of bureaucracy and intrusion—questions may need to be asked, and many people may find that unpalatable or unacceptable. However, to my mind, the greater good, or the greater justification, lies with those who say that we are entitled to ask before we part with taxpayers' money—either directly in the form of money, grants or whatever, or in the form of services and support—whether that person really needs that support, or is perfectly capable of looking after themselves in a financial sense. That is the question that I seek to pose in amendment No. 48.

I do not wish to divide the House on the matter at this stage. It would be inappropriate in the context of the Bill, but I would like to hear the promoter or the Minister say again, however briefly, why they believe that having no interest in the means of the person to whom the assistance is given remains the correct approach.

Mr. Burstow: As I understand it—indeed, we explored the matter in Committee—it is not a matter of not assessing means at all; it is a question of the sequence in which means are assessed. In that sense, the question is, who is the gatekeeper? What is the gateway through which the person travels?

Is it a gateway to assess the person's financial means, which the amendment of the right hon. Member for Bromley and Chislehurst (Mr. Forth) appears to describe, or is the gateway to assess a person's need for care? Once they have passed through the gateway to assess their need for care, there is an entirely legitimate debate to be had about assessing their financial means and the scale of charges that might be applicable for the provision of particular social care services.

I do not see how the amendment that has been tabled by the hon. Member for Stalybridge and Hyde (Mr. Pendry), or, indeed, the amendment that I tabled in Standing Committee, would invalidate the points that the right hon. Gentleman has made, but he usefully raises the question of means testing and whether provision of a free service, with no charge levied, may disproportionately benefit the better off.

That is a live and current issue in the context of the royal commission on long-term care. It seems that it reported a lifetime ago, but it was just at the beginning of last year. It is to be hoped that the Government will imminently give their final, determined view on its report; it is expected in July. Let us hope that it is their final statement and position on the matter.

That will bring into sharp relief the issue that the right hon. Gentleman has mentioned, but I do not think that that debate is relevant to the debate on these amendments, which is simply about the proper sequence in which those matters should be looked at. In my judgment, it makes sense to start by looking at the care needs of the person before considering their financial needs.

That is what the amendment that I moved in Committee sought to do. As I understand it, it is the purpose of amendment No. 33. I will support that amendment because it provides welcome clarification. It will reassure many outside the House—it will certainly reassure the Carers National Association and many carers, too.

From my own recent case work, I know that the introduction of charges and means tests is a cause of great anxiety and concern for carers. Only two weeks ago, I attended a meeting of my carers forum in Sutton, where the issue was explored in great detail because my local authority is considering extending charging to day-care services—a controversial proposal, although not unusual in many other local authorities, which already operate such charges. Nevertheless, carers and those whom they care for are very concerned. Therefore, it is right that the amendment clarifies that the need should be checked and assessed before the means are assessed. I support the amendment and hope that the House will do so, too.

Mrs. Spelman: I shall speak briefly, partly to do a bit of bridge building between the amendments which in many ways address different things. Throughout the Committee stage, members on both sides pressed for a distinction to be made between the process of needs assessment and that of financial assessment, so that one follows the other. The Committee was quite clear that there must be integrity in needs assessment.

I think, however, that my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) made a very good point, in relation to which I may be able to provide a good practical illustration. As newspapers often, even daily, report, courts are awarding very substantial sums to the parents of disabled children when medical negligence, for example, has been proved. Although, sadly, it often takes a very long time to establish that there has been negligence and to calculate damages, when the damages are calculated, I believe—I am not a lawyer, but the Minister is—that, in assessing them, the court will take into account the disabled child's care costs.

I therefore believe that my right hon. Friend made a good point. If a judicial assessment has been made and damages awarded, it would be quite legitimate for the local authority to make its case that, in awarding damages, the court had already recognised that quite considerable public sums are required to support the family of the disabled person. It could therefore be quite strongly argued that that award should be part of the financial assessment.

Mr. Hutton: The hon. Member for Meriden (Mrs. Spelman) attempted to build a bridge between amendment No. 33 and amendment No. 48. She will be lucky if she succeeds in doing so, as the amendments are diametrically opposed and would have completely opposite effects. Amendment No. 48 would effectively ensure that a means test was applied, not when assessing liability to a charge but when assessing even whether a person should benefit at all from a service. In view of the alleged compassionate conservatism being proclaimed by Conservative Members, the hon. Lady may not wish to adopt that policy.

All hon. Members who have spoke have, in one way or another, raised the issue of charging for social services. The hon. Member for Sutton and Cheam (Mr. Burstow)—as he is wont to do on such occasions—mentioned the royal commission's very important report. As he said, the Government will in the summer announce how we hope to achieve our objectives in relation to social services charging for non-residential care, to build greater equity and fairness into the system and reduce the scale of variation between local authorities in charging policy.

We are also awaiting with interest the publication of the Audit Commission's imminent report, which I am sure will throw some light on and provide valuable insights into the exact nature of the problem that we have to deal with and the precise scope of variations in charging regimes. I think that those variations are substantial, and that we shall have to take effective action to reduce them. The variations can have the type of effect mentioned by the hon. Member for Sutton and Cheam. However, that debate is for another occasion.

I should like simply to reassure the House about the purpose of amendment No. 33. The amendment is intended to ensure that councils do not consider the potential for raising charge income in deciding who—whether a carer or the cared-for person—should receive a service. In doing that, we are trying to proceed sensitively and carefully.

Amendment No. 33 ensures that in offering councils the fullest flexibility in determining the services that they may offer carers under the Bill, an opportunity is not created for councils to take account of who is best able to pay a charge when assessing need. The amendment therefore deals with users' and carers' valid concern that councils should not consider the potential for raising charge income when deciding who should receive a service.

The example that has been given—it is a perfectly fair one—is the case of a cared-for person who is not liable for a charge, and has been so assessed, but in which the carer may be liable for a charge. If the services are delivered by the council as a carer service, there will therefore be the possibility of shifting the caring burden on to the carer. Amendment No. 33 is designed to prevent precisely that from happening and to address that important issue. A valid concern has been identified, and my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) has tried very hard to deal with it. I think that we have done that entirely properly in amendment No. 33. The House should accept it, and confidently reject amendment No. 48.

Amendment agreed to.

Clause 5

DIRECT PAYMENTS

1.15 pm

Mr. Hutton: I beg to move amendment No. 34, in page 3, line 33, leave out "and" and insert—

'( ) for paragraph (b), substitute—

"(b) in the case of a person—

(i) whose needs the local authority have decided call for the provision of community care services, he is of a description which is specified for the purposes of this subsection by regulations made by the Secretary of State, or

(ii) whom the local authority have decided to provide with services under the Carers and Disabled Children Act 2000, he is not of a description so specified by regulations made by the Secretary of State,"; and'.

Section 1(1) of the Community Care (Direct Payments) Act 1996—a pioneering piece of social care policy introduced by the previous Administration, for which we give them credit—provides for regulations to be made specifying the persons who may receive direct payments. We have made such regulations. Only those persons specified in the regulations are eligible for direct payments.

The position is different for carers. The policy intention is that all carers assessed as needing carers' services under the Bill should be eligible for direct payments. We have taken a power to exclude certain descriptions of carers in regulations to ensure flexibility should particular circumstances arise.

The amendment would allow local councils to make direct payments to all carers who have been assessed as needing carers' services, unless they are excluded because they are of a description specified in regulations. I urge the House to accept this important technical amendment.

Amendment agreed to.

Clause 6

VOUCHERS, AND DIRECT PAYMENTS TO DISABLED CHILDREN AND PARENTS OF DISABLED CHILDREN

Mr. Hutton: I beg to move amendment No. 40, in page 3, line 40, after "as", insert—

', subject to subsections (5) and (6),'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 23, in page 4, line 10, at end insert—

'( ) The Secretary of State may issue guidance to local authorities as to the exercise of their discretion under subsection (1).'.

No. 42, in page 4, line 11, after "(5)", insert—

'Except as mentioned in subsection (6) of this section,'.

No. 43, in page 4, line 21, at end insert—

'(6) Section 1(2) of the Community Care (Direct Payments) Act 1996 does not apply in relation to payments under subsection (1) to—

(a) a person with parental responsibility for a disabled child, other than a parent of such a child under the age of sixteen, in respect of a service which would otherwise have been provided for the child; or

(b) any person who is in receipt of income support, working families' tax credit or disabled person's tax credit under Part VII of the Social Security Contributions and Benefits Act 1992 or of an income-based jobseeker's allowance,

and in those cases the amount of any payment under subsection (1) is to be at a rate equal to the local authority's estimate of the reasonable cost of securing the provision of the service concerned.'.

Mr. Hutton: I am sure that my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) would have liked to move the amendment—or at least I think he would—if his voice had been strong enough to allow him, but my right hon. Friend the Secretary of State and I are happy to support it.

New section 17A(5) would apply section 1(2) of the Community Care (Direct Payments) Act 1996 to direct payments made under the Children Act 1989. Under the 1996 Act, a local authority can have regard to an individual's financial circumstances when determining the amount of a direct payment. However, an individual cannot be required to contribute more than they can afford. Amendments Nos. 40, 42 and 43 mirror the charging arrangements in section 29 of the Children Act 1989, so that the position will be the same for all service users, whether they opt to receive services, direct payments or the new vouchers. We have always made it clear that there should be no financial incentive—or disincentive—to choose one option over another. Our aim has been to create a level playing field.

Amendment No. 43 is the substantial amendment in the group. Section 29 of the Children Act 1989 sets out the recoupment provisions in respect of services. It allows for the recovery of charges from parents and not others with parental responsibility. It also exempts certain low-income families from paying parental contributions. Subsection (6)(a), which would be inserted by amendment No. 43, mirrors for direct payments the charging regime in section 29 of the Children Act 1989. Subsection (6)(b) would exempt those who receive income support, working families tax credit, disabled persons tax credit or an income-based jobseeker's allowance. The subsection would ensure that direct payments made by families covered in those two paragraphs were at a rate equal to the local authority's estimate of the cost of securing the provision of those services.

I strongly believe that it is right that low-income groups should be exempted. We recognise that families with disabled children face increased costs in bringing up those children and that it is harder for parents with disabled children to play their full part in the world of work. It is important that those families under stress who come to social services seeking relief from that stress are not faced with extra expenses that they would struggle to meet.

I should like to add that, at the moment, the amounts collected for children's services by local authorities through parental contributions are small. In the majority of cases, local authorities make a nil assessment. In others, the cost of collecting a small parental contribution is more than its financial value.

In community care, recouping costs through charging service users does not constitute a significant proportion of the revenue available for children's services. The arrangements that the amendments propose will have a neutral effect on local authority finances. I therefore commend the amendments as sensible, fair to service users and entirely consistent with existing arrangements under the Children Act 1989.

Amendment No. 23, which has been tabled by my hon. Friend the Member for Hastings and Rye (Mr. Foster), is unnecessary because section 7 of the Local Authority Social Services Act 1970 provides for local authorities to act under the Secretary of State's general guidance. As I said in Committee, guidance will be issued to local authorities to help them to undertake the new responsibilities that the Bill imposes on them. I have given a commitment to work closely with carers groups and voluntary organisations in preparing the guidance.

I hope that my hon. Friend will recognise that there is no difference between us on the need for guidance and for consultation on it. His intentions will be realised without amendment No. 23.

Amendment agreed to.

Amendments made: No. 41, in page 3, line 44, leave out "parent of" and insert—

'person with parental responsibility for'.

No. 42, in page 4, line 11, after "(5)", insert—

'Except as mentioned in subsection (6) of this section,'.

No. 43, in page 4, line 21, at end insert—

'(6) Section 1(2) of the Community Care (Direct Payments) Act 1996 does not apply in relation to payments under subsection (1) to—

(a) a person with parental responsibility for a disabled child, other than a parent of such a child under the age of sixteen, in respect of a service which would otherwise have been provided for the child; or

(b) any person who is in receipt of income support, working families' tax credit or disabled person's tax credit under Part VII of the Social Security Contributions and Benefits Act 1992 or of an income-based jobseeker's allowance,

and in those cases the amount of any payment under subsection (1) is to be at a rate equal to the local authority's estimate of the reasonable cost of securing the provision of the service concerned.'.

No. 44, in page 4, line 24, leave out "parent of" and insert—

'person with parental responsibility for'.

No. 45, in page 4, line 26, leave out "parent" and insert "person with parental responsibility".

No. 46, in page 4, line 27, leave out first "parent" and insert "person with parental responsibility".

No. 47, in page 4, line 27, leave out "the parent may" and insert "that person may".—*[Mr. Hutton.]*

Clause 7

CHARGING

Mr. Dismore: I beg to move amendment No. 27, in page 4, line 45, leave out clause 7.

[Mr. Dismore]

This is a probing amendment; I do not necessarily want clause 7 to be removed from the Bill. However, the amendment provides the opportunity to discuss charging. I raised the matter initially on Second Reading when I referred to the briefing that I received from the London borough of Barnet, where my constituency is situated. The briefing outlined Barnet's policy on charging and the anxieties that had been expressed to it on the matter. In an intervention on my speech on Second Reading, the right hon. Member for Bromley and Chislehurst (Mr. Forth) referred to the vague explanatory notes, which did not provide much information on charging. He suggested incorporating the word "reasonable". That was a good idea.

Perhaps the best starting point is the view of Carers National Association on charging. It believes that carers should not have to pay for the services that they will receive under the Bill. On a point of principle, it opposes charging for non-residential community care services because carers already devote their time, energy and money to caring. The organisation asks why carers should pay for a service that helps them to continue to do that, especially when many families experience financial hardship and many disabled people refuse services because they cannot pay for them. It points out that carers save local authorities and the public purse money through the unpaid services that they provide for members of their families.

The Carers National Association also refers to the complications that arise from clause 2, which defines the services that are to be provided for carers. I mentioned that earlier in the context of transport to day centres and the risk of carers being charged for a service that is provided to the person who is being cared for. That matter should be tackled. There was no opportunity to do that earlier because of the way in which the debate unfolded. Perhaps those who reply to the debate could deal with the anxieties that the Carers National Association raised.

On Second Reading, my hon. Friend the Minister suggested that it was right that carers should be charged for services. I have dealt with that point in principle. I understand my hon. Friend's point, and that of the London borough of Barnet. Its briefing states that if it did not charge a reasonable amount for at least some services, they might not be provided. However, this brief debate gives the Government an opportunity to go a little further.

On Second Reading, my hon. Friend the Minister said that users and carers would be fully involved in consultation on the charging regime. Perhaps he will clarify the operation of clause 7, and tell us the extent to which charging for council services will be considered as part of the overall review of charging for services for carers and those who are cared for.

Mr. Pendry: As my hon. Friend the Member for Hendon (Mr. Dismore) says, the amendment would prevent carers from being charged for carer services. As my hon. Friend will know from our earlier exchanges, a private Member's Bill is not a vehicle for change in Government policy on charging; nor, I suggest, is this a time when charges are under consideration in Government. I therefore ask my hon. Friend to withdraw the amendment.

I also invite my hon. Friend the Minister, who I know wishes to speak, to repeat his commitment on Second Reading—which has already been mentioned—that the Government will ensure that representatives of carers organisations will be involved in the forthcoming consultation on charging, which will follow the publication of the Audit Commission's study of non-residential charges. I am sure the Minister will expand on that, either now or on Third Reading.

As my hon. Friend the Member for Hendon probably knows, this was the one real problem I encountered in promoting the Bill, but the Minister has assured me that the Government will take the issue seriously, and consider it sympathetically.

Mr. Barron: I was involved in neither Second Reading nor the Committee stage, but most of us who have spent any time in the House know that carers can lose a substantial amount over what we would term a potential working life, in terms not only of earnings but of retirement pension. Many carers have given up the opportunity of paid work or leisure time. Indeed, they save huge sums for local authorities and, sometimes, for central Government, via health authorities. Regardless of what my hon. Friend the Minister feels, and regardless of what past Ministers have felt, carers feel that they should not have to pay for these services.

I have received a certain amount of correspondence about the Bill. One of my constituents was unable to take work opportunities because he was looking after both his elderly parents for many years; now he is looking after one of them. He would probably find the idea of being charged for time away from work hard to accept. He wrote to me saying that, owing to restrictions on the type of work that he has been able to do, he will not benefit from, for instance, the retirement pension from which many of us benefit. We should consider the level of any charges that are made.

I am sure that my hon. Friend has noted what the Carers National Association has said in the past. The association now wants to know the likely level of charges, and also wants an update on the extent to which charging carers for services will be considered in the review of charging. We discussed earlier what would effectively be means-testing for the purposes of all charges. I do not think that my hon. Friend or anyone else is in favour of that, but it is important to know whether carers will be able to afford charges for respite care. Over the years, I have encountered many constituents who might not have taken the opportunity of respite care if charges had been made, because their incomes would have been too low.

1.30 pm

Carers can be in need of care themselves. Although the amendment is only a probing amendment, it addresses important issues. We hope that the Bill will achieve the practical reality that it promises, by bringing help and assistance to people who, by caring, do much good work for their direct families—and indirect families, in some cases—and for taxpayers, by saving massive amounts of money on institutional care. My hon. Friend the Minister will recognise that and I hope that any proposal to levy charges in the future will recognise how much good work carers do. They need the respite care and should not be discouraged from taking advantage of it by overcharging.

Mr. Hutton: I thank my hon. Friend the Member for Hendon (Mr. Dismore) for tabling amendment No. 27 and

giving the House the opportunity to discuss these important issues. The issue of charging has come to light because the Bill will allow local authorities, for the first time, to provide carer services directly to carers. To maintain the existing balance between carers and cared-for people, it is obvious that we need to ensure that the present arrangements apply equally. To do otherwise would be to prefer one group above another. In this context, we would be treating carers more favourably than the cared for, and that would be inequitable and unfair and could not be justified.

Within Government and outside, we are discussing extensively the future policy on charging for non-residential services. To be coherent, that policy needs to be located within the context of the Government's response to the royal commission's proposals on residential care services. We must strike the right balance between residential and non-residential care services. There is a strong groundswell of opinion, which is backed up by much of the constituency experience and case work that we all have, that criticisms can be made of the charging regimes applied by many local authorities. The arrangements are set out in the Health and Social Services and Social Security Adjudications Act 1983, which simply requires local authorities to set charging policies that are reasonable. Under the existing legislation, the Government—in this case, the Department of Health—have limited powers to issue any effective guidance to local authorities about how they exercise the statutory discretion that they have been given to fix local charging arrangements and means tests, whatever policy they decide to adopt. Some eight or nine authorities do not charge for services at all.

The existing arrangements clearly give rise to the scale of variation that we see across the country, and that has fuelled a sense of injustice among many service users. The present arrangements are not working fairly. Why is it that a modest charge is made in one part of the country, but a much higher charge is made for similar services in another area? The Government have made a commitment to address those issues, and we will do so in the context of our response to the royal commission and in the light of the Audit Commission report on the scale of variation between local authority charging regimes.

My hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) was right to say that a private Member's Bill is probably not the appropriate way to deal with the substantial issues of social care policy that have an implication for the taxpayer in terms of the resources available to local authorities.

My hon. Friend the Member for Hendon knows that we are trying to make the Bill cost-neutral. That is entirely appropriate, but I would not want anyone in the House or outside to think that the Government are not addressing the wider issues that he has raised seriously and as a matter of urgency as we develop our response to the royal commission.

Towards the end of 1998, when we published our White Paper on the future of social services, we set out clearly our policy objectives in this area. We want to reduce the unacceptable rate of variation that clearly exists between authorities providing similar services. That does not lead to the national consistency that we are determined to achieve.

We are taking action to ensure proper consistency in standards throughout the national health service. Social care is a crucial partner to the NHS in providing effective support for carers and people who are being cared for. It is one care system that has health and social care as equal partners. As part of the drive for consistency in the NHS, it will obviously be important to address consistency in the standard and quality of social services, which we are taking action to improve, as well as issues relating to the charging regime that local authorities apply.

Mr. Burstow: On this occasion, I did not make the first reference to the royal commission. I welcome the Minister's outlining the initiatives that the Government are taking. In July, we shall learn what they intend to do. Although I entirely understand that the Minister cannot tell us what those proposals will be, can he give us some idea—as many outside the House want to know this—of how quickly the changes will be implemented, as we are already two years away from the White Paper to which he referred and it is more than a year since the royal commission reported? When will the proposals be implemented? Will it be in the lifetime of this Parliament?

Mr. Hutton: The hon. Gentleman is inviting me to make policy announcements, but I am not in a position to do so, so I shall decline that helpful request for what he described as clarification. Let me correct him on one point. The hon. Gentleman said that we were two years away from the White Paper and asked why the Government have waited so long before making our policy intentions clear in respect of reforming the local authority charging arrangements for domiciliary care services. I know that the hon. Gentleman is most diligent, so if he checks the White Paper he will see that, in November 1998, we made it clear that, before we announced any detailed proposals, we would await both the outcome of the royal commission's recommendations and the work of the Audit Commission. The Audit Commission's report has not yet been published and we need some of the data and intelligence that it is likely to contain to help us get some of the detail of the policy right.

Obviously, there is urgency, as I have said, but I hope that hon. Members understand that I am not in a position to announce detailed proposals against a particular time scale. It is not because I do not want to do so; I am simply not in a position to make such announcements. It is as simple as that.

My hon. Friend the Member for Hendon has drawn attention to a wide-ranging area of concern that has come to light in the context of the Bill because, for the first time, we are allowing local authorities to provide services directly to carers. Obviously, the issues in clause 7 have been brought into focus. For reasons that my hon. Friend has made clear, we need clause 7 in order to maintain the equity and balance between carers and those being cared for, when it comes to charging for non-residential services. To do otherwise would be to disadvantage disabled people. That would not be fair or equitable, and I am sure that no one in the House would countenance any such course of action.

In essence, I am asking the House to bear with us until we can announce more detailed proposals for reforming the local authority charging arrangements. As my hon. Friend knows, we are committed to looking at

[Mr. Hutton]

that and to making sure that carers organisations and others have the opportunity to be fully involved in the work that we shall announce in the summer on making the system fairer and reducing the current scale of variation in local authority charging arrangements. That is no secret. We have always been very open about our intentions in those regards.

I am grateful to my hon. Friend for providing the opportunity for this debate. For reasons that he has made clear, we cannot accept the amendment, and I hope that, in the spirit of what he said earlier, when he described it as providing an opportunity for debate, he will not press it to a vote.

Mr. Dismore: In view of what my hon. Friend the Minister has said, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 10

INTERPRETATION AND REGULATIONS

Amendment made: No. 35, in page 5, line 20, after "(1)", insert—

'Except as provided in section (*Assessments: parents of disabled children*)(6),'.—*[Mr. Pendry.]*

Clause 11

SHORT TITLE, COMMENCEMENT AND EXTENT

Mr. Dismore: I beg to move amendment No. 28, in page 5, line 41, leave out subsections (2) to (6).

This is a relatively short probing amendment, which would delete the Bill's provisions dealing with its commencement and extent. I have tabled the amendment to put my hon. Friend the Minister on the spot and to give him the opportunity to tell the House when the Government want the Bill to come into effect.

Mr. Pendry: The amendment would cause the Bill to come into effect as an Act on the day on which it received Royal Assent. In general, the normal convention is that no Act or part of an Act should come into force earlier than two months after Royal Assent has been granted. It is desirable that at least a reasonable period should be allowed, and in this case time will be needed for consultation with interested parties on the content of policy, the guidance for local councils and the content of regulations. For that reason, the Bill, when enacted, should be brought into force by the commencement order.

Clause 11(5) provides that the Secretary of State may make an order extending the application of the Act to the Scilly Isles, if there are good reasons for so doing. Such an order would be subject to the negative procedure.

I hope that my hon. Friend the Member for Hendon (Mr. Dismore) will agree that the commencement and extent provisions are an integral part of the Bill, and that he will therefore withdraw the amendment.

Mr. Hutton: When he moved the amendment, my hon. Friend the Member for Hendon (Mr. Dismore) asked me to indicate how soon the Bill might be brought into effect after receiving Royal Assent. I made it clear in Standing Committee that the Government want the legislation to be in operation at the earliest possible opportunity.

The Bill is hugely important. For the first time, it will allow a range of services to be provided directly to carers. It provides and extends choice and opportunities in other areas as well. My hon. Friend the Member for Hendon is anxious to ensure that the Bill comes into effect as soon as possible; the Government are, too. We have not done all the work involved to amuse ourselves—we want to improve the services and support available to carers and to disabled children and their families, and thereby improve people's lives.

The Bill is an important step forward for carers and we do not intend to delay its implementation in any way. It will be introduced as soon as possible, but I hope that my hon. Friend will understand that I am not in a position today to give a precise date. However, I assure him and the House that we will not hang around; we want the legislation in place at the earliest possible opportunity.

Mr. Dismore: I am grateful for that assurance. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Order for Third Reading read.

1.44 pm

Mr. Pendry: I beg to move, That the Bill be now read the Third time.

As the House has heard, the Bill enjoys wide support among individual carers and also the voluntary organisations that want to ensure that the needs of carers, and of parent carers, are properly addressed. I have been extremely encouraged by the cross-party support for the Bill that has been evident throughout our proceedings, and I am grateful for it. I thank hon. Members from all parties who have made positive and constructive contributions and assisted the Bill's passage through the House.

I particularly wish to place on record my gratitude to my hon. Friend the Minister for all his help, not least for helping me today because of my recent illness. My thanks go to Patsy Holland from his Department, who has done sterling work in acquainting me with some of the details of the carers world, and to the Carers National Association and other caring organisations. From my own constituency, Carol Ann Morgan, an expert in children's disability, helped me enormously.

I was very touched by a little book by Leon Simons. For many years he looked after his wife, who had great disabilities. He wrote a book called "For the love of Lily", which I recommend to anyone who cares about these issues.

I also thank my friend of long standing, Lord Morris of Manchester, for his wise counsel. I have known him since the age of 15, when we were in the Labour league of youth. To them, and to many others, I give my thanks.

It is a fact that many of us, at some time in our lives, will care for someone else. We give care willingly, because we love those who are nearest and dearest, but for many that caring role will become a larger part of their lives, taking up more of their time, because someone close becomes ill or disabled. The care provided by the carers with whom the Bill deals is not provided on a formal basis

by organised, paid professionals. Informal care delivered by family and close friends is provided unpaid; it draws on feelings of love and duty.

Caring is often very hard work and can be emotionally draining. It takes many forms within many types of relationship. Some caring takes place within families, where parents care for their ill or disabled children. Many such parents have provided full-time care since the birth of their child or shortly after, and expect the need for care to be lifelong. Parents may have been thrown unexpectedly into a caring relationship at the birth of their child. Today, with advances in medical treatment and health care, together with pre-natal screening, more parents are forewarned. However, being forewarned does not necessarily prepare parents for how their lives will change.

The onset of illness or disability can be sudden or gradual—sometimes there are elements of both. For example, multiple sclerosis can involve the gradual erosion of ability and a sudden loss of mobility. Parents of children with conditions such as schizophrenia may find themselves learning to cope with very violent behaviour.

Another type of care within families is that which one partner in a relationship gives to another. The circumstances that create the need for care can affect couples at different stages of their lives. In middle life, one partner may be diagnosed with arthritis, a condition that causes severe pain. As the condition deteriorates, more and more care becomes necessary. For some couples, one partner has, over time, become the full-time carer of the other. A stroke in later life can affect eyesight, leaving the stroke victim no longer able to read or complete forms and pay bills. Mobility may be seriously affected following a stroke, as may short-term memory.

Along with many of my hon. Friends, I am aware, from talking to my constituents in my surgeries, of the manifold problems that carers face. They often struggle to continue in their caring role and want help in maintaining their valuable contribution to the care of a loved one. Although the circumstances that lead people to become carers may be different, many of the difficulties faced by carers are common across their situations. The impact of caring on their lives can be similar, including the distress of seeing a loved one in pain, the emotional loss as the nature of the relationship changes, the effect of the caring relationship on other relationships, a sense of isolation and loneliness, and feelings of stress or depression.

I make no apologies for spelling out those examples. I am sure that many hon. Members could give examples of their own. I hope that the examples illustrate the importance of the Bill reaching the statute book. Recent years have seen a growing recognition of the importance of informal care and the effects on carers. In 1995, the Under-Secretary of State for Education and Employment, my hon. Friend the Member for Croydon, North (Mr. Wicks), who was here at the beginning of the debate, introduced the Carers (Recognition and Services) Bill. In 1998, the Prime Minister announced a Government-wide review of measures to help carers as part of a national strategy for carers. That strategy brings together a range of initiatives designed to address carers concerns and give them support.

The Bill is an attempt to change the law so that social services departments may, for the first time, offer support to carers and parent carers. That support will help carers to continue to care, and will assist carers in such a way that they can be assured that their own health and well-being are considered.

Clause 1 provides that a carer or parent carer has the right to ask for an assessment from a local council of his or her ability to provide, and to continue to provide, care for the cared-for person if he or she intends to provide substantial and regular care. The assessment will enable the local council to decide whether to provide services to the carer under clause 2 or the parent carer under the Children Act 1989. This is an important change to the way in which social services departments may provide support. The Bill focuses on enabling carers without detriment to their own health or well-being. There will be services which, although provided by the carer, may be delivered to the cared-for person by way of community care services.

For reasons that have already been outlined, I do not intend to speak for much longer. The Bill is extremely important. I sincerely hope that, having heard the debate today and in Committee, hon. Members will recognise that caring organisations and carers themselves look to us to ensure that it is carried.

1.51 pm

Mr. Edwards: I shall be brief. I congratulate my hon. Friend the Member on Stalybridge and Hyde (Mr. Pendry) for all his work on the Bill. It has received all-party support and there has not been a Division throughout its progress.

The Bill is historic, redressing the balance by which the vast army of carers—thousands in every constituency—provide informal care for those whom they love. Often, even in our welfare state, that care has been provided without recognition, largely by women. It was regarded as part of the contractual duties of marriage, and married women and mothers provided care for disabled children, husbands, mothers, fathers or elderly relatives.

The Bill is important. My hon. Friend referred to the work of Lord Morris, who introduced the charter for the disabled, the Chronically Sick and Disabled Persons Act 1972. The work of carers was not truly recognised until the 1970s. Once, at a conference, Professor Peter Townsend was told, "What you mean by care is care by women." Recognition has been slow of the incredible amount of care provided informally and sometimes at enormous cost. The Government, to their credit, have introduced the national carers strategy, in which the Prime Minister recognised his personal debt to carers in his own family. He also invited representatives of carers organisations to Downing street when he first came to office.

It has been a privilege to be associated with the passage of this important Bill. Some 10,000 carers in my constituency will be pleased that it has been passed, and I am grateful to my hon. Friend the Member for Stalybridge and Hyde and everyone who has supported it.

1.54 pm

Mrs. Heal: I, too, congratulate my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) on successfully steering the Bill through its First and Second Readings, Committee Report and stages and now Third Reading. I welcome the amendments made today; they will help to clarify the Bill. We have had good discussions

[Mrs. Heal]

across the parties, which have produced unanimity. The amendments bring not only greater clarity but more consistency to legislation for carers. That is especially important.

The new clauses are significant; they put more decision making into the hands of carers. That, too, is of great importance. The amendment to clause 2 on agreement between the disabled person and the carer on service delivery decisions is especially relevant to the disabled person or the carer to whom the service is provided. It means that users will be able to shape their own lives. That is very much in the spirit of the report by Sir Roy Griffiths about a decade ago, in which he said that users should have that ability. He said that community care could not be properly achieved until carers were fully recognised and supported. The Bill, as amended, takes us closer to that aspiration.

I hope that my views will be shared by the many millions of carers and the representatives of carers organisations throughout the country. The Bill develops the aspirations of the national strategy for carers, which focuses on producing wider and better sources of information on the help and services available to carers.

Those of us who have been and are involved with carers—either professionally or as constituency Members—must never assume that carers know about the help and services available to them. Sadly, despite all the best efforts of many of the campaigning carers organisations, that is not the case. On a recent train journey, I met a friend—a former colleague who had retired. She had been the head of a sixth-form college and I assumed that she was enjoying her retirement. On that Monday, when she told me that she was looking forward to her day out, I am afraid that I assumed that it was only one of many days out that she was able to enjoy. However, during our conversation I discovered that it was a very special day for her—it was the first in 20 months that she had had any respite from caring for her husband, who had been a university lecturer but had been diagnosed with Alzheimer's disease.

One might have expected that my friend would have known of the existence of the services and support available to carers—or at least have known where to find that information. She is an extremely intelligent woman, who is well informed on many subjects, but she said, "I have to admit I did not know where to go." Sadly, her GP was not helpful and had neither given her information nor opened gateways for her to obtain it. Since her husband's diagnosis, she had coped for 24 hours a day—for nearly 20 months. They had looked forward to a pleasant retirement, but instead she had been under a tremendous strain during that time. She said that it was almost unbelievable when, by accident, she heard a radio programme that mentioned respite care.

Suddenly, my friend realised that there was a chink of light at the end of the tunnel. With great tenacity, she asked questions—perhaps becoming in the eyes of some professionals a bit of a nuisance—and pursued information about which services were available. Hence, she was delighted when, ultimately, some seven months later, she achieved her goal of one day out a week—one day's break, one day's rest from the strain and emotional and physical difficulty of caring for her husband.

I quote that example as just one of many. Many of my hon. Friends would be able to give others. The Carers National Association and other organisations that support carers will repeat that story over and again. I say that not in any way to denigrate their work, but to prove how difficult it is for carers to recognise what they are doing and then to obtain information from which they may access the support and services that they require.

Support for carers must come from the communities in which they live. Local authorities have that responsibility, and voluntary organisations have the responsibility to assist in that and to provide the support. The carers strategy talks of independence, partnership and empowering carers so that they may make choices about their lives. Those words have been echoed around this Chamber on numerous occasions today.

We are talking about carers being able to maintain their health and exercise their independence, so that their role can be recognised by policy makers and statutory service providers. Giving strong support to carers over service planning and provision will help to ensure that they become partners in the statutory provision of care. The Bill will contribute to all that.

I should like to mention briefly two groups of carers in particular who I think will benefit from the Bill. Working carers will certainly do so. From guidance on the Bill, carers could be given much vital flexibility that they and their families need either to take up part-time or even full-time work. So many people have given up work to care—perhaps as many as 50 per cent. of carers at the heavy end of caring. Many regret having done so; even if it is not possible to return to work, the Bill will give them far more options.

I am particularly pleased with the Government's amendments on the position of parent carers. The impact on parents with disabled children, certainly of direct payments and of the entitlement to an assessment in their own right, will be particularly welcome. With direct payments, they will be able to decide what is best for their child, as every parent wishes. They will be able to engage one person who is trusted and known to provide a range of support for the child. It is of course easier for a child to build a relationship with one person.

Parent carers of disabled children want the flexibility to ensure that the services that they require are provided at their convenience, rather than that of the service provider. Direct payments for parent carers will enable them to arrange their services, fitting them around their family's life style. As the young person grows up, such payments will provide extra support so that, with help, the child can join in mainstream activities with other children. It makes much more sense.

Disabled people have called for direct payments for years. They have largely welcomed their introduction and called for their extension. I am delighted that the Bill extends the principle yet further to parents of disabled children and other carers. That will hugely benefit disabled people aged 16 and 17—again, I have a word of caution—as long as the right safeguards are introduced, as the Minister said in Committee he intended to do through guidance.

The Bill, as amended, will certainly present a new challenge to many, and that challenge is implementation. The Bill has still to pass through all its stages but, as we discuss the Bill, we must think about how it will be

implemented. I am delighted that my hon. Friend the Minister is keen to provide more information for carers about their rights—a commitment given in Committee. That is exactly what is needed and should have been provided when the Carers (Recognition and Services) Act 1995 was introduced. We now have the benefit of experience and can do things differently as they move into line with the spirit of the Bill.

As we have said, carers needs are diverse. As individuals, they have their own particular needs and their own reasons for providing care or ending the caring role. However, they have a number of common factors. The first is always concern for the well-being of the person for whom they care. They also need emotional support and relief from isolation for themselves. The receipt of reliable and satisfactory services and information on, and recognition of, their role and contribution can all work well in supporting carers.

Let us stop for a minute and consider the definition of the word "support". It has been used a great deal in the debate. I looked in the dictionary and found three definitions of the word. First, it means to carry all or part of the weight and to keep from falling, sinking or failing. Secondly, it means to provide with a home and the necessities of life, and thirdly, it means to enable, to last out, to give strength or to encourage. I sincerely hope that, in our deliberations on the Bill, we have gone some way towards giving carers real support, building on the Carers (Recognition and Services) Act 1995 and taking it forward.

2.7 pm

Mrs. Spelman: I shall endeavour to make my contribution short because I know that several Members would like the opportunity to give the Bill their blessing and send it on its way. However, I understand that the hon. Member for Halesowen and Rowley Regis (Mrs. Heal) has a declared interest, having worked for the Carers National Association. We understand that when this issue is a core interest, one will have strong feelings about the Bill making progress.

May I congratulate, once again, the hon. Member for Stalybridge and Hyde (Mr. Pendry)? He definitely backed a winner with this Bill. Certainly, having the Government on one's side is a tremendous help in succeeding with a private Member's Bill. In my three years in Parliament, it is the first time that I have seen such a Bill reach this stage. I congratulate the hon. Gentleman on that.

We can all take satisfaction from knowing that today we shall send a strong signal to the 5.7 million carers in our society who for a long time, out of good will, have made a contribution that is worth £34 billion of care. That is a phenomenal contribution towards care for those who need it. We can all take pleasure from the fact that the Bill has progressed to this stage, and that is why we have supported it. We very much wanted to send a signal to carers that we applaud what they do and that we want them to continue to do it. That is important for those for whom they care, for themselves and for us. We all have an interest in sustaining them in their very important role.

The little phrase that comes to mind is "a stitch in time saves nine". As a result of the Bill, we all hope that respite will come to those who might be on the verge of throwing in the towel, having a breakdown or giving up their key role. I hope that we have contributed to that stitch in time, which for some people will be so important.

I very much liked the modesty of the hon. Member for Stalybridge and Hyde. He said that the Bill was a start. I am always wary of politicians who claim too much for what their policies will achieve, so he is right to be cautiously modest. Perhaps, we can all share in that.

The assessment process, how it works in practice and the experience of the carers who are on the receiving end of it will be crucial. Whether what they are assessed as needing is delivered will be the test by which we shall know whether we have succeeded or failed collectively as a group of politicians.

In recent days I have encountered people who strongly dislike the style of politics in which we all gratuitously make remarks about each other. However, we can all agree that the discussions today, the Committee proceedings on the Bill and its Second Reading have been, for those who have been able to watch, an example of what can happen when there is constructive opposition in the House and we work together. As an Opposition, we have combined with other hon. Members to refine and improve the Bill, and we take satisfaction from that.

We hope that the Bill will see the light of day as soon as the Government can find time for it. The real test will be whether those who are directly concerned—carers and the cared for—experience an appreciable improvement in their situation and whether carers receive the help that they need to carry out their important task.

2.10 pm

Mr. Burstow: As the hon. Member for Meriden (Mrs. Spelman) said, the test of the Bill will be the services that result from the assessments that will be provided.

I congratulate the hon. Member for Stalybridge and Hyde (Mr. Pendry) on his initiative in securing a private Member's Bill slot, on choosing this important subject and on skilfully piloting the Bill through all its stages in the House. This is the first private Member's Bill that I have followed through all its stages, and it has been an interesting experience that is very different from my experience of Government legislation. I hasten to add that I do not intend that to be a criticism.

We have had the opportunity to debate the Bill on the Floor of the House. Amendments have been moved, ideas discussed and concerns explored, and there has been a genuine response that has led to the Bill's improvement. The result is a Bill that we can pass to the other place and which will, we hope, make its way into statute and make a real difference to the lives of millions of carers.

I know that the Bill will make a difference to the 20,000 carers in my constituency. When I spoke on Second Reading, I explained that I had spent a day with a carer in my constituency during national carers week last year. Her name is Lillian, and she felt very isolated because of her caring responsibilities, looking after her husband. She felt that she had had to struggle to navigate her way through the various services that were available, and she was not told that those services existed to give her support.

This is a Bill for the millions of Lillians who give years of their life out of love for their partners and others in their family, to support them, informally, in the community. Through the Bill, the House signals that it wants to support those carers and values them highly.

[Mr. Burstow]

Liberal Democrat Members support the Bill because we believe that it is a much-needed addition to the legislative framework governing carers. The Government amendments in response to debates in Committee are welcome and have improved the Bill. They send the right signals to carers that the Government are committed not to introducing charges by stealth but to improving services for carers.

2.13 pm

Mr. Hutton: Before I comment on the Bill and the proceedings today, in Committee and on Second Reading, I must go through one or two necessary and important formalities. In the Government's view, the Bill is fully compatible with the European convention on human rights.

I echo many of the comments of hon. Members. The Bill has benefited from the cumulative experience of the many hon. Members who know a great deal about its subject matter. It is probably unfair to pick on individual Members who have made important contributions, because we have been lucky to have had the commitment of many hon. Members, in Committee and today, in improving the Bill. However, I pay particular tribute to my hon. Friend the Member for Halesowen and Rowley Regis (Mrs. Heal). She has been heavily involved in carers' issues for a long time, and we have been fortunate to have the benefit of her experience and opinion.

Most important, we have been lucky to have the support of my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry). Without his commitment to the cause and without his dedication to working with all Members to improve the Bill, we would not be in the position that we are in today, so I pay a warm and personal tribute to him for his work and vision in taking the Bill forward.

As the hon. Member for Meriden (Mrs. Spelman) said, sometimes we actually get it right in this place. I will not say that we do it all the time—clearly, we do not—but during the passage of the Bill, we have shown that it is possible in the House of Commons to work together on common objectives that transcend party allegiances and that inspire and motivate many Members. In fact, they may often explain why Members are driven to serve as Members of Parliament.

Many of us have a strong and deep commitment to improving not only public services, but the quality of life of many people in our society who, without our commitment and support, will never get the quality of life that we are fortunate enough to take for granted. That is what the Bill is basically about. It is ultimately about creating a fairer society. It is about providing better services for carers and disabled children, too, but it is profound legislation. I will not make the mistake of using hyperbole, but it is an important Bill.

There are several reasons why the Bill should receive a Third Reading. First, it will enable local authorities to provide a much wider range of services directly to carers themselves. That is something that carer organisations have long called for, as my hon. Friend has said. The Bill will ensure that that can happen, ending the unacceptable limitation on local authorities' ability to support carers properly.

It is clear from some of the discussions today that, in moving forward in that area, we must be alert to the sensitivities that exist. It is not part of the Bill—my hon. Friend has been clear about it, as has everyone else who has spoken today—to do anything to compromise the position either of carers themselves or of those who are being cared for. I believe that the way in which we have improved the Bill today will mean our avoiding that particular mistake.

Secondly, the Bill takes a further important step forward in recognising the role of carers as key partners in improving services to people who need support at home. Fortunately, the days are long gone when carers were the invisible people whose contribution usually went unacknowledged and whose own needs for support were rarely, if ever, addressed effectively. The Bill represents a significant advance for carers in both those important areas and is therefore a significant advance for carers as well as for the whole care system.

My hon. Friend the Member for Monmouth (Mr. Edwards), who spoke very well on Second Reading and again on Third Reading, is right to have identified what has been characterised as an enormous gap in social care policy in Britain for many years, which we are now beginning to close, properly recognising the role of carers. He explained that much more eloquently than I could, but I hope that he will share my view that the Bill is a significant advance, as I have shown, because it plugs that gap. Carers are not invisible. They are crucial partners in care, and the Bill acknowledges their important role.

My hon. Friend mentioned his constituency and the carers in Monmouth who will benefit from the Bill. He gave a timely reminder that the Bill will apply to Wales, too; it is not an England-only measure.

Thirdly, the Bill extends new opportunities for carers and disabled people to have more direct control over the services that they need. Its changes to the 1996 direct payments legislation will transfer more power and more choice to carers and to disabled children to determine for themselves who may provide the services that they have been assessed as needing and when they should be provided. In that way, the Bill will enable and empower disabled people and their carers in a significant new way.

Most important, my hon. Friend the Member for Stalybridge and Hyde has listened to the concerns that have been expressed by carers organisations about his Bill's drafting. Today, he has introduced some very important changes to the Bill that strengthen it considerably. Parent carers' right under the Bill to ask for an assessment has been put beyond any doubt. We have also resolved the concerns that have been expressed about the nature of charging for both carer services and community care services. Now, there can be no risk at all that local authorities can label services as carer services rather than as community care services if it appears that the carer has greater means than the cared-for person.

The Bill also provides that carers cannot be required to pay a charge for community care services that are provided to the cared-for person. It is a significant clarification and confirmation of the original intentions that both my hon. Friend and I had for the Bill. I pay tribute to him for his ability to argue that case and to press for the necessary changes to the Bill. He was absolutely right to identify that as an important issue, and I am grateful to him for his role in making the necessary changes to the legislation.

I know that all hon. Members value the contribution that carers can make to our community and to our country. Today, hon. Members can show their support for carers by giving the Bill the strongest possible support.

I should like to conclude by expressing once again my appreciation to my hon. Friend the Member for Stalybridge and Hyde. By promoting his Bill, he has performed a huge service for carers, for disabled children and their families and for those who are being cared for. We are doing a good thing by sending the Bill to another place, where their lordships will have an opportunity to contribute their wisdom and insight to the legislation. Some of those who are in another place have enormous experience on the issue.

Mr. Dismore: On Report and in this debate, we have not really focused on the special problems faced by ethnic minority carers. Perhaps my hon. Friend would like to say something about the Bill's impact on them. I think that it is important that we address that issue.

Mr. Hutton: I am grateful to my hon. Friend for raising that issue. He will know, because he has examined the Bill very carefully, that nothing in the Bill deals directly with the needs of carers from ethnic minorities. However, that is not to say that the Government do not recognise the need for additional work on that issue. Since we came to office, we have taken various initiatives to work with ethnic communities in finding ways of improving access to social services.

As I am sure my hon. Friend will be aware, there is plenty of evidence that members of ethnic minority communities do not feel that they have proper access to or receive the proper support from social services that they are entitled to expect. There may be many good reasons why social services are provided as they are, but that does not obviate the need for improvements in provision. It is not acceptable for any section of our community to feel marginalised or disfranchised by the failure of statutory services properly to recognise their needs. We shall have to continue working and acting with local authorities on the issue, to ensure that services fully meet the needs of all sections of our community.

Mr. Barron: My hon. Friend mentioned the Bill's progress in another place and the timetable for its implementation, which were also mentioned earlier. Although it is not a Government Bill, does he have any idea about the other place's likely attitude to it? Today and in our previous consideration, the Bill has received overwhelming support from hon. Members on both sides of the House. Have discussions been held with the other place to discover whether it is likely to receive the same all-party support there, so that it can be implemented as soon as possible?

Mr. Hutton: I very much hope that that it will receive such support. There is no doubt that some of those in another place have enormous practical experience of many of the issues addressed in the Bill. Baroness Pitkeathley, for example, is a very experienced Member of the other place and has huge expertise on the issue; I am sure that she will bring those qualities to bear in ensuring that the Bill is passed. Knowing how careful their lordships are, I am also convinced that they will study our debates closely, because, as the hon. Member for Sutton and Cheam (Mr. Burstow) rightly pointed out, the Bill has been significantly improved by the willingness of my hon. Friend the Member for Stalybridge and Hyde to listen to the concerns that were expressed about it and to take action on them. As a result, we have a better Bill that, I hope, will command the support of their lordships and people outside the House.

We have taken the unique opportunity provided by my hon. Friend to produce legislation that can command a consensus of support in the country. We have laid the foundations for legislation that will continue to inform and support service development for many years. Sadly, we do not often have an opportunity to legislate on these issues. The changes that have been made have resulted in a significantly better Bill.

Mr. Edwards: My hon. Friend has mentioned that the Bill applies to Wales as well. I am sure that he will join me in paying tribute to the National Assembly for Wales for the support that it has given to the Bill in principle. Does he agree that one of the aims of the Bill is to equalise the best in services for carers? There is considerable variation between local authorities in England and Wales. That principle of equalising the best has always applied in the national health service, although it has not always necessarily been implemented. We need to apply that commitment to social care as well as to health care.

Mr. Hutton: I do not think that my hon. Friend will be surprised that I strongly agree with him. Through the introduction of the new performance management arrangements for local authority social services and through the new best value powers, we are trying to ensure that the standards of the best local authority providers become the standards for the rest. We aim to ensure that the performance of the top 25 per cent. of local authorities becomes the benchmark for others to follow. There is a lot of work to be done to ensure that, not only on the provision of carers services. We must stay focused on all the issues.

My hon. Friend will be aware that the implementation of the legislation in Wales will be a matter for the National Assembly for Wales. We look forward to talking with Assembly Members about our plans for implementation.

We still have to work out some of the details of the regulations and the guidance and advice that will be given to local authorities on some of the important issues that we have discussed today. I have repeatedly tried to assure hon. Members that we shall develop the new regulations and guidance quickly, effectively and in a process of open consultation with all the interested organisations. We have nothing to hide from them and everything to discuss with them. That is the spirit in which we intend to take the legislation forward over the next few months.

We want to proceed as quickly as we can and put the Bill on the statute book at the earliest opportunity. If we succeed, we shall have done everything that hon. Members want—provided pioneering legislation and delivered it as quickly as possible so that the service changes that we all want come about soon on the front line. Carers, their families and disabled children will be able to see the immediate impact of what we have done.

[Mr. Hutton]

I have spoken for long enough. I urge the House to give the Bill a Third Reading.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Remaining Private Members' Bills

RECYCLED CONTENT OF NEWSPRINT BILL

Order for consideration read.

Hon. Members: Object.

To be considered on Friday 12 May.

MEDICAL TREATMENT (PREVENTION OF EUTHANASIA) BILL

Order read for resuming adjourned debate on Question [14 April] on consideration of Bill, as amended in the Standing Committee.

A new clause—Consent of the Director of Public Prosecution—

"No prosecution under this Act shall be brought without the prior consent of the Director of Public Prosecutions"—*[Mr. Forth.]*

Question again proposed, That the clause be read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 12 May.

ORGANIC FOOD AND FARMING TARGETS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 21 July.

PUBLIC HOUSE NAMES BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 12 May.

ZOO LICENSING (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 12 May.

ROAD TRAFFIC BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 12 May.

CORPORATE HOMICIDE BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 19 May.

Secondary Education (Southwark)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

2.31 pm

Mr. Simon Hughes (Southwark, North and Bermondsey): I am grateful for the opportunity to raise the subject of secondary education in Southwark. Today is a happy day for Liberal Democrats because we shall have an extra Member of Parliament. There will be 47 Liberal Democrat Members and the sun is shining outside.

There are three issues on three successive days to exercise the minds of families in my constituency. Yesterday, whatever their political views, they rejoiced at the restoration of London government. Tomorrow, they hope that Millwall will beat Oxford and thus make the play-offs to move from the second to the first division. Today, there is an opportunity for one of the borough's Members of Parliament to raise a matter that has greatly exercised families throughout the borough—secondary education in Southwark.

I shall briefly outline the background. There are six secondary schools in my constituency—more in the borough as a whole. I represent two fifths of the borough. The right hon. Members for Camberwell and Peckham (Ms Harman) and for Dulwich and West Norwood (Ms Jowell) represent the other parts. Of the six secondary schools in my constituency, three are local authority schools, two are Roman Catholic schools and one is a Church of England city technology college.

Throughout my time as a Member of Parliament, all the Church schools have been oversubscribed and the local authority schools have been less popular, whatever the efforts of their staff, whom I commend. I have worked with them and supported them, as I try to support all the schools in my constituency. However, this time every year, I am visited by tens—sometimes hundreds—of families who are unhappy because they cannot obtain places for their children in the schools of their choice. The parents are up in arms.

Again this year, parents gathered at meetings, where their anger and frustration was evident. They reiterated that the problem has existed for too long. It is so bad that some parents who are offered a local authority school place—all parents should be offered such a place, but sometimes they are not—do not send their children there because they do not want them to go to a particular school. Sometimes they send them there belatedly; buy education, although they may not have the money; or move away. That is not helpful in the context of sustainable communities.

Most parents try the appeals system when it exists. There is no proper, independent appeals system for the city technology college. That is frustrating, and parents approach their Members of Parliament. This year, the parents' campaign has become even angrier. I pay tribute in passing to one of our local newspapers, *Southwark News*, which has supported the parents. The borough comprises 250,000 people. Its make-up and character are varied, and it has great cultural diversity.

This is the history. We had a boys' secondary school, Scott Lidgett, run by the Inner London Education Authority, which was closed. Bacon's college was a Church of England secondary school—I was a governor—which became a city technology college, although I voted against the change. Southwark took over from ILEA as the education authority. ILEA was Labour run throughout its existence; Southwark has been Labour run ever since. Labour now runs Southwark by the casting vote of the mayor. There are four Conservatives, and one independent.

We have a Labour education authority and an education action zone, but secondary education outside the Church sector still does not enjoy the confidence of the people of the borough. Thirty per cent. of secondary school pupils leave Southwark. I tried—as, more recently, did my hon. Friend the Member for Sutton and Cheam (Mr. Burstow)—to persuade the Government, and the previous Government, to reverse the Greenwich judgment, which forbids local authorities to prioritise their own secondary school pupils. My hon. Friend recently presented the School Admissions (Amendments) Bill for that purpose, but was unsuccessful. As a result, many parents choose to send their children elsewhere. There is, of course, an influx of children, but it is not as great as the number of children who leave.

Let me mention one frustrating aspect, which I hope the Minister will refer to the Department. I thought that I had persuaded Ministers to introduce a co-ordinated appeals application system for schools. It could apply to nursery and primary schools as well, and it would take some of the grief and angst away from parents. Parents shop around; some know the system better than others. I think that we would all be better served by an independently managed system, a bit like the university application system.

Sadly, prejudice is not the reason for the dissatisfaction of so many families. They are dissatisfied because the performance has been so bad. It gives me no delight to quote from the performance tables—I have never been a great fan of such tables—but I shall do so notwithstanding their inadequacy. The local education authority average in England for pupils attaining five or more grades A to C at secondary school rose from 43.3 per cent. in 1994 to 46.3 per cent. in 1998, and to 47.9 per cent. in 1999. The Southwark average was 18.3 per cent. in 1994, 27.2 per cent. in 1997, 29.1 per cent. in 1998 and 29.5 per cent. in 1999. Some schools produced dire figures: 8 per cent. in one secondary school in my constituency in 1994, 9 per cent. in another—both are borough run—and 6 per cent. in another Southwark school in the following year.

Then there is the "top and bottom" local authority table. In 1999, Southwark was sixth from the bottom with its 29.5 per cent., whereas four authorities—represented, I note, by my hon. Friends—were in the top 10. Isles of Scilly came top with 61.3 per cent., Sutton came third with 60.1 per cent., Kingston upon Thames had 57 per cent. and North Yorkshire had 56.8 per cent. We are not achieving, and parents do not want their children to go to schools that do not deliver results. That is understandable.

Paradoxically, schools in special measures have continued to struggle while some of the greatest improvements have occurred in schools outside the local-authority sector. St. Saviour's and St. Olave's—a Church of England girls' school—and Notre Dame, a beacon school, have been among those recognised by Government as some of the most improved.

[Mr. Simon Hughes]

It is not just my view, or that of parents, that the education authority is not doing its job properly. In 1998, the Office for Standards in Education commissioned a report, inspected it and set various targets. The follow-up report published last autumn states:

> Southwark LEA was first inspected almost a year ago. It received a report which made some sharp criticisms and set the authority a number of important recommendations. However, at that stage, the expectation was that the LEA had sufficient management competence as well a sufficiently good relationship with its schools to implement the recommendations and to improve.
>
> In the event, that expectation has proved over-optimistic. The LEA has gone through a difficult period . . . At the same time, the national agenda for change has not ceased to press as hard upon Southwark as on other LEAs . . . Overall, however, the LEA has regressed. In particular, it has lost the trust and respect of its schools, some of which can no longer discern any useful purpose that the authority serves.
>
> Many of the best schools in Southwark no longer feel that the LEA supports them. That feeling is a direct consequence of the LEA rightly attempting to direct its resources to need. The schools' reaction reflects a culture of dependency which should, in time, be dispelled.

This is the telling point:

> To an extent, therefore, we sympathise with the view expressed by the Chief Executive and others that the LEA is going through a sea-change and that things will "get worse before they get better." However, we see no immediate prospect of improvement and are, therefore, impelled to ask "how much worse, and for how long?"

Parents are saying that they cannot go on like this. Not only do some parents not enrol their children, but other young people who are enrolled leave or play truant. We have many more not attending than the official figures reveal. I have always been concerned that we do not have a satisfactory procedure for dealing with failing LEA schools, and have argued that point in my party and locally for a long time.

There is some hope and opportunity ahead, which is why this debate is well timed. Southwark has recently elected a new leader and a new chair of education, and has recently appointed a new director of education, who started last month and whom I have not yet met. Coincidentally, the Liberal Democrat opposition also elected a new leader this week. We now have a charter school in the south of the borough under the new start scheme, following the closure of one of the least satisfactory schools. Outside the borough, the Church of England has indicated that it is interested in possibly taking on other schools, and a report is expected on that.

Much development is taking place, especially in my constituency, which would provide space opportunities for the building of a new school. There is also the possibility of converting the old St. Saviour's and St. Olave's boys grammar school building at Tower bridge, because the school has moved to an outer London location. More land is available near Tower bridge, next to the site of the Greater London Authority building which is now under way. Land will become available in the Surrey docks, and at the Elephant and Castle under a redevelopment scheme by the local authority. Land is also available in Bermondsey through the Spa road regeneration scheme.

The Secretary of State for Education and Employment gave further grounds for optimism in his widely reported speech on 15 March to the Social Market Foundation, which was entitled "Transforming Secondary Education". He ended his introductory remarks by saying:

> And finally there must be no excuses for underperformance.

Hence my plea to the Minister today.

Things have moved on and, as a result of the parental pressure and outcry, matters went before the local authority education committee on 27 March and the full council on 29 March. A resolution proposed by the Liberal Democrats was agreed after amendment by the Labour majority and the Conservative third party group. The resolution agreed that there would be speedy progress towards assessing

> the need for a new school in north Southwark in the light of revised roll projections and further data on feasibility, including a detailed action plan and timetable for opening a new school.

This week, the education committee received a petition carrying several hundred signatures from residents of Southwark requesting a new school, which was presented by my colleague, Councillor Jeff Hook. It stated:

> We the residents of Southwark ask that a new secondary school be built in the north of the borough. Many children have been left without a secondary school to attend come September 2000. We understand that all the schools are over subscribed and cannot accept every child that applies to their school. However this does not justify the amount of children that have been left feeling very upset, disheartened and worried about receiving a decent education.
>
> We also appreciate that money is a problem, but if money can be found to build a millennium dome and wheel, surely it can be possible to find money for one new school. Children are our future and as parents and carers it is our duty to make sure that they receive the very best there is to offer our children. The first thing we should make sure of is that they receive an education that they so deserve. Unfortunately this year is no exception from any other year, and we feel that this problem has gone on for far too long. Now is the time to rectify it before the next set of children have the same problems.

I say amen to that.

First, given that we want a new school in the north of the borough, but do not want any schools that parents would not choose for their children, and given that we must have provision for those who are excluded so that they do not fall out of the system altogether, will the Government support a new school although technically there might be an argument that every place across the borough is not being filled? I would strongly argue that, if we have a new school and the other schools are popular, the numbers will recover and the places will be filled. Parents take their children away from schools that do not reach acceptable standards. It is a chicken and egg situation; unless we have decent schools, we will not fill them.

Secondly, what sort of school can we have? Could we have a Church school if the Church wanted to provide one? Are we eligible for a city academy? It seems that one could be provided within a year and a half. I understand that one could be built ready for the autumn term 2001. If we were to have a city academy, could we have one that had an admissions appeals procedure, unlike the current one? I must declare an interest as a trustee of Bacon's college, but I remain critical of the fact that it does not have an admissions appeals procedure. Could we have admissions criteria that gave priority to those from SE1 or SE16, or certainly the local area which feels deprived? Can we have some encouragement that it is not

necessary to have a 5 acre site and that a school can be built on a 2.5 acre or 3 acre site although the playing fields may have to be elsewhere?

Can we make sure that, when we build the new school, which I hope the Government will approve, we do not neglect the other schools that are still regarded as being of a less high standard so that they remain part of the programme? I am absolutely committed to the idea of a programme to ensure that no school is not justifiably successful and popular.

Finally, can we guarantee provision for those who end up being excluded simply because they do not conform to that standard? We must not leave them out.

Southwark is undergoing a real transformation. The Tate Modern is opening next week and the Millennium bridge, which is not quite finished, will be open soon. It is the borough of Chaucer, Shakespeare and Dickens. If we cannot provide education now, we will not produce the scholars that Southwark, London and Britain need for the future. I hope that the Minister can give me a positive and encouraging reply.

2.48 pm

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Malcolm Wicks): I shall not follow the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) too closely in what he said about the election results, but as a Londoner I can say that this is a great day for London in that democracy has come home to the capital city, and we look forward to working with the elected mayor and members of the Greater London Authority, whom we congratulate on their success.

I am grateful to the hon. Gentleman for raising this important matter. We are all committed to raising standards of education for all children. In Southwark, as elsewhere, we are taking action to drive up standards and support initiatives which underpin that. As well as listening carefully to the hon. Gentleman, I have discussed the matter with the two other local Members of Parliament to whom he referred, my right hon. Friend the Member for Camberwell and Peckham (Ms Harman) and the Minister for Employment, Welfare to Work and Equal Opportunities, my right hon. Friend the Member for Dulwich and West Norwood (Ms Jowell).

Since we have been in government we have made a clear commitment to raising standards, and our record shows consistent and effective action through all stages of the education process. Our aim is clear: it is to ensure that every child has the opportunity to reach his or her full potential.

The hon. Gentleman referred to the well earned popularity of some schools in Southwark. We recognise that two secondary schools in the area are in special measures, and we are taking positive steps to drive up standards in all schools in the borough.

Most importantly, we have established an education action zone in the north of the borough, which comprises 15 schools. Altogether, about £1 million a year is being put into the zone. Some of the money is provided locally, but most of it comes from central funds. The zone has received enthusiastic backing from local parents, businesses and others as it endeavours to improve literacy, numeracy, IT and science skills. It has an objective of attracting high quality teaching staff.

As the hon. Gentleman noted, my right hon. Friend the Secretary of State approved the closure of the former Dulwich high school for boys. The school will reopen in September this year as the Charter school, a comprehensive for both boys and girls. The Government are providing £4.5 million in funding through the new deal for schools to enable that to happen. I know that my right hon. Friend the Minister for Employment, Welfare to Work and Equal Opportunities, in her constituency capacity, worked very hard with local parents to achieve the establishment of the school.

The hon. Gentleman also mentioned city academies. That new initiative is a radical approach to the fresh start programme, and it aims to find local sponsors to help establish new schools. The recent Budget made initial capital provision of £60 million available nationwide for the fresh start spending programme as a whole. People in Southwark may well come forward with proposals that relate to the city academy initiative.

We need to ensure that schools are supported by their local education authorities, which have a duty to promote high standards. In essence, that is what they are about. They must prepare education development plans that set targets for pupils and for the quality of teaching, leadership and management in schools. Where an LEA cannot provide that support, the Secretary of State reserves the power to secure proper performance of its functions.

As the hon. Gentleman said, Southwark received its second adverse Ofsted report last December. The report concluded that the LEA was not adequately fulfilling its functions with a view to raising standards in schools, and that it currently lacked the capacity to do so. In the wake of the report, my right hon. Friend the Secretary of State concluded that radical action was needed to secure the significant and lasting changes that would be necessary to drive up standards in Southwark schools.

In partnership with Southwark council, we appointed KPMG to analyse the problems facing Southwark, and to suggest solutions to these problems. The most significant of those solutions was that Southwark should advertise for a private sector organisation which could act as a strategic partner for the authority, and take on some of its key educational functions. There is no limit to the extent of the partnership, but the partner would be expected to take over the running of the school improvement service and to play a major role in policy formation.

The closing date for organisations to bid to become this strategic partner was only last week. A number of high quality bids were received, and they are currently being considered by educational experts in Southwark and in the Department for Education and Employment, assisted by KPMG. Southwark Council and the Department will select by the summer an appropriate model of partnership, and a partner with which the council will enter into a formal agreement for a period of between three and seven years.

I note what the hon. Gentleman said about the new leadership evident in the Department, and about the political leadership in Southwark. My right hon. Friend the Secretary of State is confident that a strategic partner will be selected which, in partnership with the authority, will be able to bring about major and lasting improvements in the standards of education in Southwark schools.

[Mr. Malcolm Wicks]

In passing, I should also note that the Government are sensitive to the issue that the hon. Gentleman raised when he mentioned children who do not participate in schools on a day-to-day or week-by-week basis. We are taking initiatives to deal with issues relating to truancy, exclusion and bullying, which can be especially important in city areas.

I turn now to the vital issue of school places. The hon. Gentleman made some valuable points about the situation in Southwark, about which my Department is concerned. I know that there has been interest in a new school in the borough, and that concerns have been raised by parents who have been unable to get children into their first choice of school.

I recognise that the position in Southwark is complicated by the movement of pupils between different boroughs. That is not atypical within the Greater London area; such movement takes place in line with parental preference. In Southwark there is a net outflow, as has been acknowledged. Some 1,700 children come into Southwark to be educated, but well over 3,000 go out.

The law gives parents the right to express a preference for the school at which they wish their child to be educated, but it has never guaranteed all parents a place for their child at their preferred school. I understand the frustration of parents whose application has been unsuccessful. We would like all parents to be able to send their children to a school that is satisfactory to them. The hon. Gentleman, my right hon. Friend the Minister for Employment, Welfare to Work and Equal Opportunities and I have all seen parents in our advice surgeries, and we understand their frustration when parents cannot obtain a place for their child at their desired school. That is a difficult issue, of which, in my neighbouring constituency of Croydon, North, I am very aware.

However, if a school has more applications than places, it cannot admit every applicant. Sadly, simple arithmetic dictates that. In those circumstances, places have to be allocated among applicants according to published oversubscription criteria. Admission arrangements for all schools must be published annually by each local education authority. Cases can also be taken to independent appeal panels.

In Southwark, applications have exceeded the places available at some schools. Indeed, I understand that the new Charter school has received 800 applications for entry in September. Some schools have always been more popular than others. Our view is that the only way in which to meet parental preference effectively is to raise standards in all schools, so that the choice parents have to make is between equally good schools. Our policies are focused on achieving this aim. However, as will be appreciated, that cannot happen overnight. As I know from my own locality, schools, and their reputations, can and do change, often quite rapidly. Yesterday's failing school can become today's oversubscribed school. That happens in different parts of our city.

In Southwark as a whole, there are enough places to satisfy demand based on current patterns of pupil movement. The local education authority's returns to my Department show that in January 1999 there was an actual surplus of secondary places of some 10 per cent. However, forecasts produced by the LEA predict that there will be a growth of almost 13 per cent. in secondary numbers by 2004-05, and that the supply of and demand for places will by then be finely balanced.

The school organisation plan for Southwark was agreed fairly recently, on 14 September 1999. This locally agreed document states that although a new school in the north of the borough may be required by 2005,

it is evident that on the basis of current projections there is little case for such an initiative.

I have listened carefully to what the hon. Gentleman said about parental wishes and about recent discussions in the council, and I assure him that my Department will listen very carefully to any application from Southwark. He will appreciate that I cannot say more than that. The situation in boroughs such as Southwark is complex, but we shall consider the issue as positively as we can.

Officials and Ministers in my Department are aware of pressure on school places in south London and are monitoring the position carefully. In the summer term, officials will visit LEAs to discuss those and other issues. In short, the Government are taking action to address the issues that underpin the hon. Gentleman's concerns. Those issues are vital for Southwark, particularly for parents and children. Indeed, I have taken some time to read the comments of parents in the pages of the local press, and I am moved by their determination to achieve decent education for their children, which I fully understand. These important issues will be tackled energetically and urgently in Southwark, with every possible help from my Department.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

House of Commons

Monday 8 May 2000

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

National Lottery

1. **Dr. Ian Gibson** (Norwich, North): What assessment his Department has made of the impact of the changes to the national lottery introduced by the National Lottery Act 1998. [119872]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): The changes in the 1998 Act reflect the Government's commitment to ensuring that lottery money gets to where it is needed. The strategic plans that distributors are obliged to produce under the Act place a high priority on targeting areas of social and economic deprivation, and new powers of delegation mean that decisions are now being taken at a more local level.

Dr. Gibson: I thank my right hon. Friend for that answer. Does he agree that, in the past few days, there has been discussion about delivering the funds and making life better for people and that the changes in the lottery fund have done just that? They have brought confidence to people with cancer because of the provision of radiotherapy machines; they have brought our crazy brilliant young scientists money to try out their ideas and they have thrown money at the right areas of sport. However, does my right hon. Friend agree that the greatest success has been in cities, such as Norwich, where funds have been put into areas of great deprivation so that the young and the old alike can indulge in pursuits that give them confidence and optimism for the future?

Mr. Smith: My hon. Friend is right. Indeed, we promised the electorate that we would make such changes when we went to the country in the general election. I am very pleased that we have now put those promises into action. None of the things that have happened—the establishment of the new opportunities fund, the ability to solicit applications from areas that need them, the ability to establish joint schemes between distributors, the fairer geographical spread that is now coming through and, above all, the focus on areas of social deprivation—would have been possible without the changes that we introduced in the 1998 Act.

Sir Sydney Chapman (Chipping Barnet): Whatever the merits of the new opportunities fund—I note what the Secretary of State has just said about the promises made before the previous election—is it not in total contrast to what the Prime Minister said about the lottery fund when he was Leader of the Opposition? He said that he did not believe that it would be right to use lottery money to pay for things which are the Government's responsibilities.

Mr. Smith: My right hon. Friend the Prime Minister was right to say that when he did and it remains the Government's clearly stated policy; it is what we are doing. Lottery funds are used for things that are additional to the core responsibilities of government; they do not replace Government expenditure.

Mr. Derek Wyatt (Sittingbourne and Sheppey): My right hon. Friend the Secretary of State will know that the Library has produced a fine research document on where lottery money is spent. In many constituencies, £30 million, £40 million or £50 million is spent on lottery tickets, but much less is returned to those communities—between £2 million and £5 million. In the light of that, does he feel that there should be a stronger community element in a new lottery Act?

Mr. Smith: My hon. Friend is right to identify a discrepancy, which is partly due to the fact that only 28p out of every £1 spent on lottery tickets comes back to any of the good causes established. The average figure per constituency of spending on good causes by lottery distributors is about £10 million, but I am well aware that many constituencies have not reached that level of expenditure. I can fully understand the anxiety that colleagues on both sides of the House have in ensuring that a fair share of lottery money is spent across the country as a whole. In that respect, I welcome the fact that, over the past year, the number of small grants made by lottery distributors has doubled, because that means that more money reaches the grass roots and local communities everywhere across the country.

Mr. Peter Ainsworth (East Surrey): I seem to remember that the Secretary of State's constituency does rather well out of the lottery.

Is not the centrepiece of the Government's changes to the lottery the creation of the new opportunities fund, which is the Government's lottery fund? Does the Secretary of State think that it is doing all right because, of the £540 million that it has so far received, it has to date paid out only £61 million? That means that, effectively, the Government are sitting on £480 million worth of lottery players' money. What is the explanation for that? Is it that there is a lack of projects, which I doubt; is it incompetent bureaucracy, which is entirely possible; or are we dealing with a slush fund that was deliberately and cynically created to buy back failing support in the run-up to a general election? After last Thursday, I think that we can all guess the answer.

Mr. Smith: The hon. Gentleman's questions get more unbelievable every month. The new opportunities fund

has already embarked on its out-of-school education and child care initiative, for which £400 million is earmarked. It has also embarked on its information communications technology training and content creation for teachers and its health living centres programme, for each of which £300 million has been earmarked, and its cancer prevention, treatment and care initiative, for which £150 million has been earmarked. Detailed bidding for the green spaces and sustainable communities initiative and the access to lifelong learning initiative is about to begin.

All those are at the core of the new opportunities fund mission to provide projects related to health, education and the environment, and have been welcomed in constituencies throughout the country. The Tories are effectively telling the nation that they would scrap after-school clubs, healthy living centres and initiatives on cancer prevention, treatment and care if they got back into government.

Tourism

2. **Mr. David Kidney** (Stafford): What action his Department is taking to promote environmentally sustainable tourism. [119873]

The Minister for Tourism, Film and Broadcasting (Janet Anderson): The Government's strategy, "Tomorrow's Tourism", published in February 1999, places sustainability at its core and seeks to integrate the economic, social and environmental implications of tourism.

Mr. Kidney: I recall my hon. Friend coming to Stafford last year to launch the borough council's strategy for tourism, and I thank her very much for that. I am aware of how much good work her Department does to promote the maximising of the economic advantages of tourism while preventing environmental harm to the attractions themselves, and more widely. What is my hon. Friend's Department doing to persuade others such as councils, tourism organisations and private owners to have a similarly high regard for sustainability?

Janet Anderson: My hon. Friend is right, and I congratulate him and Stafford borough council on the work that they are doing in that area.

It is important to get the balance right. Tourism is the fastest growing industry in the world and we want our fair share of it. However, we want to ensure that future generations, too, can avail themselves of such opportunities. I hope that the strategy paper that the English Tourism Council's task force is producing this autumn will give councils throughout the country good advice on that matter.

Mr. John Greenway (Ryedale): Does the Minister agree that uninhibited access to environmentally sensitive countryside can sometimes do immense damage to the attractiveness of the very landscape that visitors and tourists want to enjoy, and can threaten wildlife and conservation? Clearly, there is consensus on the need for a balance. However, will the Minister join me in urging her ministerial colleagues in the Department of the Environment, Transport and the Regions to listen to the concerns of Britain's 4 million anglers and reject a Labour Back-Bench proposal to allow an unrestricted right of access to all river banks and fisheries, which would be extremely damaging to the sport of fishing, as well as fish stocks and other wildlife?

Janet Anderson: That is not a matter for my Department. However, I assure the hon. Gentleman that the sustainable tourism component of our strategy has been informed by our consultation document, "Tourism—towards sustainability", which formed part of the wider consultation conducted by the Department of the Environment, Transport and the Regions on updating the United Kingdom's sustainable development strategy. That represented the first ever attempt by Government to consult on such a scale.

Film Industry

3. **Mr. Gordon Prentice** (Pendle): How many Indian-produced films were made in the UK in the last 12 months for which figures are available; what benefits accrued to the UK film industry; and if he will make a statement. [119874]

The Minister for Tourism, Film and Broadcasting (Janet Anderson): Two Indian-produced films were made in the UK in the last 12 months. The UK film industry benefits directly from the production budget spent on the use of UK crew and facilities.

Mr. Prentice: That was an interesting reply. However, my hon. Friend will be aware that Bollywood annually produces about 600 films, rivalling Hollywood. Given the creativity and talent in Britain, what can the Government do to encourage the growth of our indigenous film industry?

Janet Anderson: I assure my hon. Friend that the Film Council, which was established by the Government and launched last Monday by my right hon. Friend the Secretary of State and the greatly respected director Alan Parker, will do much to help. Of course, the Government introduced tax breaks in 1997 and a new definition of British film, making it much more attractive to film in the UK.

That said, the British Tourist Authority and the British Film Commission have recently visited India to learn more about the Indian film industry, which produces about 900 films every year, and encourage the making of Indian productions here.

Tourism (Millennium Projects)

4. **Mrs. Betty Williams** (Conwy): What assessment he has made of the impact of millennium projects on the tourism industry. [119876]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): Evidence so far is encouraging: for example, Dynamic Earth in Edinburgh has already attracted more than 440,000 visitors, far exceeding expectations; the millennium stadium in Cardiff was the centrepiece of the Rugby world cup; and Tate Modern, which opens this week, has attracted enormous international interest. In addition, the huge number of new

environmental projects, such as the Sustrans millennium cycle way and the National Botanic Gardens of Wales, are proving attractive components of the BTA's latest marketing campaign, "Green Britain".

Mrs. Williams: I thank my right hon. Friend for that answer. However, is he aware that £390,000 of Millennium Commission money has helped to fund the restoration of the Urdd Gobaith Cymru centre for young people in Glanllyn, Bala, which can cater for 9,000 young people every year? Although I welcome the news about the National Botanic Gardens of Wales and the millennium stadium in Cardiff, will my right hon. Friend tell the House how such major projects, which are so far away from tourist areas such as my constituency, can help us?

Mr. Smith: I am aware of the vast number of smaller, local projects that the Millennium Commission has helped to fund in many parts of the country, including, I am pleased to say, in some parts of north Wales. The siting in Cardiff of the millennium stadium was a decision taken by the Welsh rugby authorities, not one imposed on them by the Millennium Commission, but it would have been difficult to understand if the site of Cardiff Arms Park had not been chosen to be the new national stadium of Wales. However, we need to ensure that north Wales, especially the tourist areas, benefit as much as possible, not only from Millennium Commission money, but from lottery money in general. Through the directions that we have issued to the lottery distributors, we shall ensure that that occurs.

Miss Anne McIntosh (Vale of York): Will the Secretary of State join me in congratulating the Herriot museum in Thirsk on being nominated for a tourism award? Will he support attempts to attract as much millennium funding as possible for tourism projects that are sited outside capital cities, such as London or Cardiff?

Mr. Smith: I join the hon. Lady in congratulating the museum on its award. Many of the millennium projects that are being supported are located outside capital cities. There are 14 or 15 landmark projects, receiving many millions of pounds from the Millennium Commission; they are not located exclusively in London, Cardiff, Edinburgh or Belfast—although each of those cities contains major millennium projects—but are spread around the country, and I am pleased about that.

Mr. Syd Rapson (Portsmouth, North): May I congratulate my right hon. Friend on having a first-class team around him? I am grateful for the recent visit made by my hon. Friend the Minister for Tourism, Film and Broadcasting to Portsmouth to see our magnificent Gunwharf scheme, which will regenerate the economy and create more than 3,000 jobs. Although we have not yet got a tower built, we hope that my right hon. Friend will do all he can to assist us. I also hope that I will be joined by the hon. Member for Portsmouth, South (Mr. Hancock) in promoting the city, not denigrating it, as he has done on many occasions.

Mr. Smith: The millennium project in Portsmouth is an excellent one: much of it is already under way and is beginning to show fruit. The Portsmouth scheme would have been a perfect example to cite in connection with the question asked by the hon. Member for Vale of York (Miss McIntosh): it is located, not in a capital city, but in a major city that can benefit from its regenerative effect. I look forward to the tower taking its place in the scheme, and we all hope that that will happen.

Millennium Dome

5. **Miss Julie Kirkbride** (Bromsgrove): How many visitors there have been to the millennium dome to date; and by how many the visitor numbers have varied from the original estimates. [119877]

The Minister for Tourism, Film and Broadcasting (Janet Anderson): As the hon. Lady knows, the New Millennium Experience Company produced a revised annual target of 10 million, following reassessment of the business plan in late 1999-early 2000. Actual attendance achieved to date is 2.1 million.

Miss Kirkbride: The Minister's answer shows how difficult it is for Ministers to put a new Labour spin on the disappointing number of visitors that the millennium dome has attracted, despite the £750,000 million that has been spent on the project. As she knows, the industry's estimates are that the dome will attract only between 6 million and 7 million visitors this year, yet the business plan projects 10 million. How will those people be attracted to the dome? Can the Minister guarantee those figures by the end of the year?

Janet Anderson: As the hon. Lady may recall, the project was started by her party when it was in government. However, I do not share her scepticism. The dome received its two millionth visitor on 28 April, and by June it is expected to beat the 1999 visitor attendance record for all UK paying attractions. That means that the dome is the most popular tourist attraction in the country, and we are very proud of it.

Dr. Brian Iddon (Bolton, South-East): I hope that my hon. Friend the Minister is aware that our town, Bolton, is visiting the dome in force this Thursday, and that she is welcome to join us. Is it not important that the children and people of Bolton visit the dome, to see the superb steel superstructure that originated in that town, and one of the largest turntables ever manufactured in this country, which is being used in the dome? Has my hon. Friend calculated the impact that the building of the dome has had on local economies, such as that of Bolton? I mention as an example the fact that the children and parents will have to be transported to the dome.

Janet Anderson: My hon. Friend is right. The investment in the millennium dome has a huge halo effect right round the country. I believe that the steel that was used in the construction of the dome came from my hon. Friend's constituency—from Watson Steel of Bolton. I am glad that he is taking an interest and supporting the dome, and I am sure that his constituents will have as good a day in the dome on their town day as I did when

I was at the dome on bank holiday Monday. I wonder how many Opposition Members have taken the trouble to visit the dome to give it their support.

Mr. Peter Ainsworth (East Surrey): No amount of spin can hide the fact that the dome is an embarrassing fiasco. Bearing in mind that it is already £100 million over its published budget, what guarantee can the Minister give the House that the dome will not need further money in the future? If and when another bid for cash is made, will she have a word with her right hon. Friend the Secretary of State? We need to establish what role he will be playing—will he be the chairman of the Millennium Commission, custodian of lottery players' money, or will he be in the role of Labour Minister desperate for political reasons alone to keep the dome afloat?

Janet Anderson: I am very sorry that the hon. Gentleman should use the House once again to denigrate the dome. He refers to it as an embarrassing fiasco. On the one hand, he pretends to support it, and on the other, he uses such language. He knows that every application to the commission for an increase in grant is considered on its merits, according to the commission's policy and criteria. The management of any project that has applied for an increase in grant will tell him that it is not an easy process.

I remind the House that in response to an application from NMEC—the New Millennium Experience Company—in early February, the commission agreed to provide a further grant of up to £60 million to assist the company with its cashflow requirements, subject to detailed appraisals and to the company demonstrating to the commission's satisfaction the need for those funds. To date, £55 million has been released by the commission, following such appraisals. Grant made to NMEC is subject to repayment from any operational surplus or asset disposal achieved.

Mr. Bill Rammell (Harlow): Does my hon. Friend the Minister recall that in the weeks preceding the general election, the right hon. Member for Henley (Mr. Heseltine), who was then Deputy Prime Minister, begged and beseeched the Labour party to commit itself to the millennium dome—a project that the Conservative party had initiated? Does not that put into perspective the tosh and brazen opportunism that the Conservative party employs on the issue? Instead of willing the dome to fail, Conservative Members should highlight the fact that 80 per cent. of those who visit it believe that it constitutes an extremely good day out. Having been to the dome, I can vouch for that.

Janet Anderson: My hon. Friend is right; 84 per cent. of people have been satisfied with their visit and 70 per cent. believe that the dome is good value for money. I was there on bank holiday Monday, when almost 35,000 people visited. I saw a family whose daughter pleaded with her father to bring her back as soon as possible. That does not sound like failure. It is high time that Conservative Members got behind the national project and supported Great Britain plc.

Football Task Force

6. **Mr. David Heath** (Somerton and Frome): What assessment he has made of the proposals to deal with marketing by professional sports clubs and national teams advanced by the football task force. [119879]

The Minister for Sport (Kate Hoey): With my right hon. Friend the Secretary of State, I am considering the football task force's report—both the majority and minority reports—on commercial issues, and I expect to announce the Government's response shortly.

Mr. Heath: I declare an interest as the father of a soccer-mad nine-year-old. Cannot something be done about national clubs and bodies that change football strips every year and cynically exploit youngsters through overpriced replica strips? Is not it time to stop that rip-off?

Kate Hoey: The hon. Gentleman is aware that the task force was much exercised about that issue, which is worrying for all parents and children. We hope that the football authorities and the clubs—especially premier league clubs—which are responsible for what can only be termed abuse, have learned from that. When we make our final decision, some of the task force's recommendations will help to ensure that such abuse cannot continue.

Mr. Denis MacShane (Rotherham): I am sure that the Minister will join me, the House and my constituents in Rotherham in sending condolences to the family of Terry Coles, who lost his life so tragically at Rotherham this weekend. I was at the match, and what should have been a festival of football as both teams won promotion was overshadowed by a dreadful tragedy.

Perhaps the Minister would care to reflect on three points. First, we need a swift inquiry. I hope that she will ask the Home Office to press the Police Complaints Authority to get on with the job quickly. Police horses had to come on to the pitch as hooligans from both sides ran on to disrupt the match. I was glad that the police were there. Policemen and women in Rotherham serve the community well.

Secondly, will the Minister consider money in football, and ensure that some of it goes to poorer clubs at the bottom of the divisions to ensure that they can grant access to fans and thus prevent such a tragedy from happening again?

Thirdly, will the Minister consider setting up an independent commission so that tense matches, where trouble is expected, can be moved to a neutral venue? No amount of passion about football justifies the loss of a single human life.

Kate Hoey: I am sure that the House wishes to send condolences to Mr. Coles' family. It was a tragic incident. As my hon. Friend knows, the Police Complaints Authority is already investigating the events, and it would therefore not be right for me to make a statement on the matter at this stage.

Mr. Nigel Evans (Ribble Valley): As someone who was born in Swansea and lived there for 33 years, I add my condolences to the family on their tragic loss.

Not long ago, the Football Association of Wales held an international for which it deliberately reduced the price of admission to encourage more families to attend. It was a tremendous success; the mood was markedly buoyant and there was little trouble. Could the Minister encourage the Football Association to reconsider its pricing policy to encourage more families to visit football stadiums throughout the country?

Kate Hoey: The hon. Gentleman is right that the more we get young people, children and families into football grounds, the more it changes the atmosphere. Although I now refer to a different sport, I was impressed by the behaviour and the general family feel when I attended the rugby league final at Murrayfield recently. Football could learn from that example.

Cricket

7. **Mr. James Clappison** (Hertsmere): What steps he is taking to promote the competitiveness of English cricket in international competitions. [119880]

The Minister for Sport (Kate Hoey): Although I am not personally responsible for the results of the England cricket team, I am keen to promote its international competitiveness. I want to encourage more youngsters to play cricket and to have the opportunity to reach the top in sport. I am working closely with the England and Wales Cricket Board to ensure that that takes place.

Mr. Clappison: Does the Minister agree that it is in the interests of the competitiveness and integrity of English cricket and that in the rest of the world for those involved in the game at every level to support Lord MacLaurin's efforts to get to the bottom of the various allegations of match fixing? Moreover, is not that in the interests of the cricket-supporting public, who pay good money to go to matches, and all the decent, honest cricketers who have done nothing to deserve having the finger of suspicion pointed at them?

Kate Hoey: The hon. Gentleman is right. Clearly, anyone who cares about cricket and plays it or who is involved with any sport, cannot fail to be deeply concerned at the suggestions of match fixing in cricket. I welcome Lord MacLaurin's initiative to bring together the executive board of the International Cricket Council, which met recently on 2 and 3 May, and the recommendations that it has made. It is absolutely crucial to the future of cricket to ensure that the public have confidence in the results of future matches. I hope that the measures that the council and we in this country are taking, and will continue to take, will mean that people can be confident about those results.

Mr. Lindsay Hoyle (Chorley): I am sure that my hon. Friend is aware that if we have a great Lancashire team, we have a great England cricket team. We should emphasise that there are many clubs in villages and towns throughout Lancashire and some great cricketing leagues. What help and financial support can be given to ensure that the youngsters at those cricket clubs are successful?

Kate Hoey: The board is well aware that, if it does not ensure that more youngsters become involved at an early age, it is much more unlikely that we shall have talented cricketers playing at the top or for talented and competitive English teams. The board is providing more support and has ensured that some of the money that it received from the sale of television rights has filtered down to exactly the level to which my hon. Friend refers. We want that to be encouraged. Of course money is needed at the top so that our most talented cricketers can achieve world-class performance and we need a cricket academy—the board is working on that—but we must ensure that the money at the top reaches down to where is it really needed—the grass roots.

Arts Organisations

8. **Mr. Steve McCabe** (Birmingham, Hall Green): If he will ensure that arts organisations benefiting from public funds make unsold tickets available for use by schools. [119881]

The Minister for the Arts (Mr. Alan Howarth): We are introducing a requirement that every arts organisation in receipt of public funds should have an access policy for young people that includes an element of free or concessionary tickets.

Mr. McCabe: I thank my hon. Friend for that reply. I welcome the increase in funding for the West Midland Arts Board from £6 million last year to nearly £11 million this year. Surely that increase and the new three-year funding deal can only make it easier for theatres and other arts organisations to extend access to all sections of the community. Will he consider requiring publicly funded organisations to make available unsold tickets to schools and youth groups?

Mr. Howarth: I welcome what my hon. Friend says. Having met members of West Midland Arts Board on several occasions, I know how committed it is to ensuring that public funding should carry with it the right to better public access for the many, not just the few. On his specific recommendation, we would stop short of compulsion, but we certainly encourage arts and other supportive organisations to ensure that no tickets are wasted and that such opportunities are taken up.

Mr. Robert Maclennan (Caithness, Sutherland and Easter Ross): Does the Minister accept that enlightened arts organisations would regard making available concessionary and free tickets as a sensible contribution not only to educational development, but to the building of their future audiences? Does he recognise that the possibilities for making such a move extend beyond publicly funded companies and bodies? Will he invite the regional arts consortiums, which he has been instrumental in establishing, to ask the education authorities and arts bodies in their areas to introduce schemes and to approach the individuals who could make a difference?

Mr. Howarth: I appreciate the spirit of the right hon. Gentleman's question. Some admirable arts organisations already use imaginative means to ensure better access to the arts, especially for young people. We have ring-fenced £5 million for the Arts Council to use as a new audiences fund to pilot initiatives, and those that show particular promise will be the beginning of a further process.

The Sheffield theatre's "pay what you can" scheme is a marvellous example, and I pay tribute to Lord and Lady Hamlyn for their imaginative and remarkable generosity in enabling people who have never had the opportunity to go to the theatre to do so.

The regional cultural consortia to which the right hon. Gentleman referred have this task in their sights, and in any case we are specifying it in the funding agreements that we are negotiating with arts organisations in receipt of public funds.

Mr. Michael Fabricant (Lichfield): I support the general principle of what the Minister has said, but does he accept that allowing access to young people can sometimes be difficult for small theatres? I have in mind the Hill Ridware theatre, just north of Lichfield. It is a successful theatre, but has only 60 to 70 seats in a converted church. The Minister may be aware that it recently applied for a grant, but was refused because it could not allow access to young children under the specialist arrangements that he has spoken about. Could he advise the arts bodies and lottery councils concerned not to apply the rules in a fixed way, and to take account of size and of the practicality of such arrangements in a small theatre?

Mr. Howarth: I do not know all the circumstances of the theatre in the hon. Gentleman's constituency, but the Arts Council and the regional arts boards that distribute money on behalf of the taxpayer need to adopt suitable, sensitive and flexible approaches to particular theatres.

Spoliation Panel

9. **Mr. Andrew Dismore** (Hendon): If he will make a statement about the work of the spoliation panel. [119882]

The Minister for the Arts (Mr. Alan Howarth): On Thursday 13 April, I was delighted to announce the membership and terms of reference of the spoliation advisory panel. For those who may be unfamiliar with the jargon, I should explain that the Government have set up the panel with the aim of providing an alternative to litigation, and to facilitate a just resolution of claims made for cultural objects that may have been looted in the Nazi era between 1933 and 1945. The Government are determined to set an example of how a civilised society should conduct itself in making possible redress for historic wrongs committed during the Nazi era, including the looting of cultural objects.

Mr. Dismore: I am grateful to my hon. Friend for that answer. Many of the claimants are now elderly and infirm, like Mr. Felix Davis, whose painting of Hampton Court is presently in the Tate gallery. I understand that there is not a great deal of dispute now between him and the Tate. Will the Minister use his best endeavours to ensure that the spoliation panel cracks on with its work to settle the claims as quickly as possible? If it turns out that its powers are not sufficiently strong, will he review them to see if they need to be strengthened?

Mr. Howarth: My right hon. Friend the Secretary of State and I appreciate my hon. Friend's sensitive and determined advocacy of this issue. The answer to the questions that he puts to me is yes.

Mr. John Bercow (Buckingham): Further to the first report of the national museum directors conference, can the Minister tell the House how many cultural objects and works of art have so far been shown to be of unknown provenance? What representations has he or the spoliation panel already received about them? Can he give the House some idea about the speed with which properly completed applications can be processed, so that the works of art looted by the Nazis can be returned as soon as possible to their rightful owners?

Mr. Howarth: The national museum directors conference has identified hundreds of cultural objects whose provenance in the Nazi era between 1933 and 1945 contains some element of uncertainty. However, it does not follow that they were all looted objects. Indeed, only one clear-cut claim has so far been made to a national collection, and that concerns the work to which my hon. Friend the Member for Hendon (Mr. Dismore) just referred—the Jan Griffier painting "View of Hampton Court Palace", which is in the Tate.

I can give the hon. Member for Buckingham (Mr. Bercow) my absolute assurance that we are encouraging the spoliation advisory panel to act as rapidly as it can in examining the principles that ought to apply, and the specific rights and wrongs of the case that has been referred to it.

Wembley Stadium

10. **Mr. Geoffrey Clifton-Brown** (Cotswold): If he will make a statement on the future of Wembley stadium. [119883]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): The new Wembley stadium will be one of the finest football and rugby stadiums in the world. I look forward to its being the centrepiece of England's staging of the 2006 world cup.

Mr. Clifton-Brown: Does the Secretary of State agree that the whole Wembley redevelopment scheme has been subject to dither and delay? That is shown not least by a report in *The Daily Telegraph* last Saturday that his officials were desperately negotiating with Brent council on who was to pay the £13 million redistribution and transport link costs. Will he now step in personally and take charge of the whole project to clear up the mess, so that our bid to host the world cup in 2006 is not prejudiced?

Mr. Smith: I refer the hon. Gentleman to a statement issued last Friday by the leader of Brent council, Paul Daisley, who said:

> Following detailed discussions with all the key parties involved with the development of the new stadium at Wembley, I am increasingly confident that my officers will soon be in a position to prepare a report for our planning committee which recommends approval for the stadium planning application.

Mr. Barry Gardiner (Brent, North): Will my right hon. Friend join me in congratulating Councillor Daisley

and the officers of Brent council? They have trodden an extremely careful path in ensuring not only that the stadium development will go ahead as we all wish, but that the relevant section 106 moneys for the regeneration of the local area, and for the provision of a safe transport infrastructure for fans, will be provided. As my right hon. Friend has just said, that seems set to happen: planning permission will be given on the 15th. Will he join me in congratulating all who have worked so hard for so long to ensure that it does happen?

Mr. Smith: I do indeed join my hon. Friend in congratulating, in particular, Councillor Daisley and the team at Brent.

In all such cases there is, of course, a difficult negotiation to be undertaken between developers and local authorities rightly seeking planning gain. In this instance, the details have been very important, but what Brent has sought to achieve—rightly and understandably, in my view—is not only the development of a new stadium, but proper regeneration of the surrounding area and a good transport infrastructure so that people can travel to and from the stadium.

Mr. Bob Russell (Colchester): Does the Secretary of State agree that Wembley stadium is arguably the most famous soccer stadium in the world, and certainly the venue for this country's greatest sporting achievement? Can he assure us that once the vandalism has taken place and the new stadium has been erected, football supporters will not be sitting in their coaches two hours after the final whistle, as happened after the Worthington cup final?

What about the infrastructure? There is no guarantee that the new Wembley will be any better than the old Wembley when it comes to getting there and back.

Mr. Smith: The whole point of the discussions that have been under way during the past few months between Brent and Wembley stadium is to ensure that such an eventuality is avoided. I have every confidence that the new Wembley will be even better than the old.

Mr. David Hinchliffe (Wakefield): A few moments ago, the Minister for Sport referred to the success of the rugby league cup final held at Murrayfield a couple of weeks ago. That final is, of course, normally held at Wembley. Will my right hon. Friend urge the Wembley authorities to reflect on the success of that match, away from Wembley? In recent years, many rugby league supporters have felt exploited by Wembley, by the south of England and by London. By contrast, they were made very welcome in Edinburgh and elsewhere in Scotland. The efforts that were made to ensure that a match could be played, although the pitch was 3 ft under water only two days before the final, were remarkable—but most remarkable of all was the fact that the match was played on a rugby union ground. A couple of years ago, that would have been unheard of.

Mr. Smith: The decision on the location of the rugby league cup final is entirely for the rugby league authorities. I hope that they will not ignore the prospect of coming, at least from time to time, to the new Wembley stadium once it is constructed, because I enjoyed a rugby league cup final at Wembley very much.

Mr. Peter Ainsworth (East Surrey): I hope that the general rejoicing is not premature. On 2 May, in answer to my hon. Friend the Member for Ryedale (Mr. Greenway), the Minister for Sport admitted that Ministers had been aware of Brent council's concerns over infrastructure

for more than two years.

She also admitted that, astonishingly, no one from her Department had bothered to discuss those problems with either Transport or Environment Ministers. She said that they were a matter for the Wembley task force, so what has the task force been doing? I quote her again:

> No recommendations, views or proposals have been submitted by the Task Force to the Department.—[*Official Report*, 2 May 2000; Vol. 349, c. 17-18W.]

I know that Wembley has become a byword for ministerial incompetence, but is it not breathtaking that for more than two years, the Government did nothing to address the problems that have, to this day, threatened the very survival of that national project? Is that their idea of supporting Great Britain plc?

Mr. Smith: I am surprised at the hon. Gentleman, who was, I understand, a parliamentary private secretary in the previous Government. He does not understand the basic principle that Ministers in a Department cannot and should not intervene in planning decisions that may fall to the Deputy Prime Minister, as Secretary of State for the Environment, Transport and the Regions, to determine in his semi-judicial capacity. That is the reason for the answer that my hon. Friend the Minister for Sport gave.

Tourism

11. **Mr. Nigel Waterson** (Eastbourne): What proposals he has to assist English tourist resorts. [119884]

The Minister for Tourism, Film and Broadcasting (Janet Anderson): Many resorts have been included in the UK's proposals for the new objective 2 structural funds and assisted areas map. In addition, the English Tourism Council has set up a resorts task force, which is due to report in December with a programme of action to assist resorts with their regeneration strategies.

Mr. Waterson: Is not it the case that all the Government have done for English seaside resorts is to cut their grants and swamp them with red tape, and to abolish the English Tourist Board? Does that not in large measure explain why only last Thursday, in places as different as Torbay, Plymouth, Great Yarmouth, Blackpool, Southend—and, indeed, Eastbourne—the Government and their Liberal Democrat lackeys were resoundingly rejected?

Janet Anderson: I urge the hon. Gentleman to take the advice of the Conservative leader of the new ruling group in Rossendale, who said that there may have been one or two switches on Thursday, but not enough to make a difference at the general election.

In direct response to the hon. Gentleman's question, I remind him that it is the present Government who have taken steps to help seaside resorts, through single regeneration budget funding, through objective 2 and through the assisted areas map. I believe that this is the first time that any Government have given such priority to resorts; it is no wonder that so many of them are now represented by Labour Members.

Mr. Lawrie Quinn (Scarborough and Whitby): Does my hon. Friend agree that if there is to be a real renaissance in seaside resorts throughout the country, building on the Government's extra help for those resorts, we need an urgent review of transportation corridors to places such as Scarborough—for example, the A64? What representations has she been able to make to Ministers at the Department of the Environment, Transport and the Regions on that subject?

Janet Anderson: My hon. Friend will recall that on 1 March my Department held a tourism summit with Ministers from Departments throughout the Government—the first time that such a meeting had ever taken place. It was intended to ensure that tourism was put at the heart of government, and my hon. Friend's point is exactly the sort of issue that we raised with the DETR. We look forward to further discussions with that Department.

Mr. Ian Bruce (South Dorset): At the weekend I was fortunate to have with me a group of Russian parliamentarians, who came to see our tourism product, but also had the chance of seeing our local elections. They were of course delighted with tourism in Dorset, but were somewhat surprised by the Labour party's near annihilation in the local elections. Could the reason for Labour's election performance be that the Department of the Environment, Transport and the Regions has not been providing for places such as Weymouth, Portland and Purbeck grants to encourage tourism, which I know that the Minister supports? Will she please talk urgently to Environment Ministers to ensure that grant to encourage tourism is provided to local authorities—so that, for example, public toilets can be kept open?

Janet Anderson: As I said to the hon. Member for Eastbourne (Mr. Waterson), this Government have done a great deal more than any previous Government to promote tourism. I hope that the hon. Gentleman's Russian friends enjoyed their visit to the United Kingdom. They will find that, increasingly, the United Kingdom has a quality tourism product that offers people value for money. No wonder so many people want to visit this country.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Hunting With Hounds

29. **Mr. Gordon Prentice** (Pendle): If hunting with hounds is allowed on Church-owned land; and if he will make a statement. [119902]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): The Commissioners' long-standing policy is that we allow our tenants to decide for themselves whether to allow hunts on the land which they rent from us.

Mr. Prentice: That is a very disappointing reply. Why does the Church sit on the fence on this very controversial issue? The Church of England is this country's third largest landowner, yet it prevaricates. Is the Church really neutral on the issue of killing for fun? Is it okay to kill for fun?

Mr. Bell: I am very grateful to my hon. Friend for his questions. The Commissioners recognise that, both inside the Church and out, there are widely varying and strongly held views on the subject, and that all of those deserve the Commissioners' respect. However, we have existing tenancies that may not be altered unilaterally. Although it may be possible to make provisions on the matter in new tenancies, enforcement of a ban on hunting would be difficult and could undermine our relationships with tenants.

Miss Anne McIntosh (Vale of York): Can the hon. Gentleman confirm that the Church Commissioners, on behalf of their tenants, have given evidence to the Burns committee on the continuation and beneficial effects on the countryside of hunting?

Mr. Bell: I cannot now give that confirmation to the hon. Lady, but I should be happy to look the matter up and send her a written reply.

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

Government Resources and Accounts Bill

30. **Mr. Geoffrey Clifton-Brown** (Cotswold): What assessment he has made of the effect of the implementation of the Government Resources and Accounts Bill on the work of the Commission. [119903]

31. **Mr. John Bercow** (Buckingham): What assessment he has made of the effect of the Government Resources and Accounts Bill on the work of the National Audit Office. [119904]

Mr. Robert Sheldon (Chairman of the Public Accounts Commission): The Public Accounts Commission is responsible for examining the annual estimates of the National Audit Office. The Commission has considered the growing work load of the office, and has approved an additional £1.3 million for 2000–01. That is partly to cover introduction of resource accounting, as set out in the Government Resources and Accounts Bill. The Bill places on the Comptroller and Auditor General a duty to audit and account for the whole of the Government. As the legislation is not expected to come into force until 2005, it is too early to say what its resource implications will be.

With the Public Accounts Committee, I have made it clear that the Bill requires improvements in relation to the scrutiny of public spending. The improvements dealing with the CAG's access and the audit of executive non-departmental public bodies would involve no net cost increase.

Mr. Clifton-Brown: I thank the right hon. Gentleman for that detailed reply. Does he agree that it is essential that after enactment of the Government Resources and Accounts Bill, parliamentary scrutiny of the money supply and our auditing process will be at least as good as, if not better than, they are now? Does he therefore share my concern that, by the deadline at the end of last year, only 14 of 53 Government accounts were available for audit? Will he ensure, via the Public Accounts Commission, that all possible resources necessary to ensure an orderly transition are granted?

Mr. Sheldon: Of course I agree with the hon. Gentleman. It is important that the Bill be improved in several ways, particularly in providing the same rights of access to public spending as the Government have with their own Departments. The CAG should validate the new departmental performance estimates as well. The hon. Gentleman's work for the Public Accounts Committee and the commission is, therefore, well supported generally.

Mr. Bercow: I welcome the fact that all 19 non-departmental public bodies established since 1997 are to be audited by the Comptroller and Auditor General, but does the right hon. Gentleman agree that it remains wholly unsatisfactory that just under 60 public bodies, spending approximately £2 billion of taxpayers' money, are not so audited? Does he agree that the CAG should have access to, and the opportunity to audit, all such bodies, as in Scotland, and that the proposed amendments to the Government Resources and Accounts Bill would facilitate the speedy achievement of that important objective?

Mr. Sheldon: Obviously, I fully agree with the hon. Gentleman. This is a matter for the House of Commons, which must understand that the CAG and the National Audit Office produce their accounts on behalf of Parliament as a whole. Members of Parliament should support the work of the commission and the Public Accounts Committee in ensuring that there is proper accountability in the Bill.

Mr. David Rendel (Newbury): In what year does the right hon. Gentleman expect funding for the National Audit Office to increase to take into consideration the whole of the Government accounts, and how much does he expect the increase to be?

Mr. Sheldon: As we are talking about 2005, it is too early to say. There should be no increase in the cost of auditing the accounts, because they are handled in different ways and there will be an adjustment to ensure that the cost is roughly comparable. For further assessments, we will have to wait for further definitions of what will be involved in 2005 and thereafter.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Redundant Churches

32. **Mr. Owen Paterson** (North Shropshire): If he will make a statement on the conditions relating to the disposal of redundant churches. [119905]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): The Commissioners normally impose covenants on a new owner restricting the use of the property to that approved and prohibiting unauthorised architectural changes, the disturbance of any human remains or memorials, and demolition.

Mr. Paterson: Is the Church under any moral obligation to sell a redundant church to the existing congregation, should they wish to buy it?

Mr. Bell: The policy of the Church in relation to redundant churches is well known under the pastoral measure. The Commissioners' approval is required for any purchase of a church. Any change of use would also be a matter for the Church.

Mr. Jeremy Corbyn (Islington, North): Is the hon. Gentleman aware that, especially in London, many redundant churches are sold and become unavailable to the community? They are often sold to property developers and end up as luxury housing, and any conditions that may have been imposed by the Church Commissioners are not adhered to. Will he ask the Commissioners to ensure that redundant churches that are to be put to religious or community use remain accessible to the community as a whole, and that those that are to be used for housing become affordable, accessible housing, which will end some of the problems of housing inequality in London?

Mr. Bell: Any proposal for a change of use from that already agreed with the Church Commissioners would have to be approved by the Commissioners and would be judged on its merits, but with particular regard to its suitability. About 880 churches have been appropriated for other uses. If my hon. Friend is thinking of a specific church, I would be glad to take up the case on his behalf.

Charitable Giving

33. **Sir Sydney Chapman:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what assessment the Commissioners have made on the impact on Church income of the new charitable giving arrangements. [119906]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): If half the money currently given in a non-tax-efficient way were given by gift aid, the Church of England might hope to recover about

another £20 million in tax in the current tax year. Our working assumption is that the new arrangements will take three years to take full effect.

Sir Sydney Chapman: I hope that the arrangements will be speeded up and that more income will come into the Church as a result of the new charitable giving initiatives. How does the hon. Gentleman envisage that he and his fellow Commissioners will be able to help churches with their running costs in the longer term?

Mr. Bell: At present, the Commissioners retain a substantial and rising liability for pensions, because of clergy who were in service before 1998. Pensions for service from 1998 onwards are being paid from the new clergy pensions scheme, so over the period 1998 to 2003 parishes are taking on the cost of pension contributions to that scheme, with transitional help from the Commissioners. By 2003, when parishes are paying pension contributions in full, we expect that giving and fundraising will constitute two thirds of the Church's income.

Mr. Peter L. Pike (Burnley): I am sure that the Church Commissioners welcome the changes that were made to enable Church income to be boosted in that way. What steps are being taken to ensure that people understand how they can benefit from those changes, so that Church income is maximised as speedily as possible?

Mr. Bell: We wish to communicate with the parishes, with parish churches and with parishioners to let them know what the Church is doing, what form the giving should take, and how that might assist the Church in its finances and administration.

Northern Ireland

3.30 pm

The Secretary of State for Northern Ireland (Mr. Peter Mandelson): With permission, Madam Speaker, I shall make a statement about recent developments in Northern Ireland, and the declaration issued over the weekend by the Provisional IRA.

On 11 February, I took the decision to suspend the political institutions which had been established barely 10 weeks earlier under the Good Friday agreement. I did so reluctantly, for reasons with which the House is familiar. If I had not done so, there would not only have been a collapse of the institutions, but a total collapse of confidence within Unionism, from which the political process would not have been able to recover for a very long time.

From that moment in February, we and the Irish Government have worked closely, at all levels, to restore the situation. As at so many crucial points in the past, my right hon. Friend the Prime Minister and the Irish Taoiseach have committed time and energy on a scale that must be unprecedented for busy Heads of Government. I have kept in close touch with the Irish Foreign Minister. There have been intensive discussions with the parties, in the most constructive atmosphere. I would like to thank officials in both Governments whose efforts have been tireless.

Our aim has been to achieve the clarity about the IRA's intentions which was noticeably lacking in February; by doing so to rebuild Unionist confidence; and thereby to re-establish the institutions. This could not be done quickly. Suspension was a bruising experience for all concerned. Unionists were disappointed that expectations raised during Senator Mitchell's review were not fulfilled. Republicans, and indeed many nationalists, saw great symbolic significance in a British Secretary of State acting to suspend local institutions as I did. People of good will on all sides were saddened that arrangements which had promised so much had proved impossible to sustain.

If Unionists need the confidence that the IRA are genuinely committed to the path of peace and willing to put their arms beyond use, republicans for their part need to know that the vision which the agreement offers, of a just and equal society in which both traditions are respected, will actually be realised.

We and the Irish Government therefore drew up an account of the remaining steps necessary to secure the full implementation of the agreement. Details were communicated to the parties on Saturday morning and I am placing a copy in the Library. The two Governments believe that those steps can be achieved by June 2001. In a statement published on Friday evening, we have committed ourselves to that goal.

The two Governments also called on the paramilitaries to state clearly and urgently that they will put their arms beyond use. For our part, we, the British Government, indicated that such statements would constitute a clear reduction in the security threat. In response, subject to assessment of the threat at the time, further substantial measures to normalise security arrangements will be taken by June 2001.

I am not yet able to say what initial measures will be taken. The Chief Constable is considering, in consultation with the Army, the situation in the light of the IRA statement, with a view to what might be done now, and then in the period ahead if and when the threat diminishes. I assure the House though, as I have done before, that the security of the public will continue to be my highest priority. There is no question of trading essential security interests for political progress. But equally there is no doubt that the statements of the kind I have described impact positively on the assessment of the security threat.

As the House will know, the IRA made such a statement on Saturday afternoon. In the context of the Governments' implementing what they have agreed, the IRA committed itself to

> a process that will completely and verifiably put arms beyond use.

Not "maybe", not "might", but "will". The IRA statement went on:

> We will do it in such a way as to avoid risk to the public and misappropriation by others and ensure maximum confidence.

In the same context, the IRA committed itself to

> pursue our political objectives by peaceful means.

The statement further committed the IRA to resume contact with the Independent International Commission on Decommissioning, under General John de Chastelain. It noted that the IRA's arms are "silent and secure", and that there is no threat to the peace process from the IRA.

In addition, the statement committed the IRA to putting in place within weeks a confidence-building measure to confirm that its weapons remain secure. Independent inspectors will scrutinise a number of arms dumps and report to the de Chastelain commission. It will be an on-going process, with regular reinspections of those dumps.

It is important that we now hear, in similar terms, from the main loyalist organisations.

Since the IRA made its statement, my right hon. Friend the Prime Minister and the Taoiseach have announced that Mr. Martti Ahtisaari, the former President of Finland, and Mr. Cyril Ramaphosa, the former Secretary General of the African National Congress and now a prominent business man in South Africa—both of them widely respected international figures—have agreed to head the inspections. I am pleased to be able to announce that they will pay their first visit to Belfast next Monday, and I am grateful to them for their speedy response at such short notice.

I regard the IRA statement as a very significant development. For the first time, there is a commitment to put weapons completely and verifiably beyond use, in a context that is realistic rather than simply aspirational. There is a real prospect of actually achieving decommissioning: it is no longer a matter just of talking about it, or of setting conditions for it that make its realisation less likely.

There is a more clear-cut assurance of the IRA's peaceful intentions than we have ever heard before. As an earnest of those intentions, there is an unprecedented willingness to allow independent third parties to inspect arms dumps containing weapons, explosives and detonators and vouch for their continuing security. An essential element of the scheme is that the process should be continuous, to provide reassurance that dumps have not been tampered with, and that weapons have not been removed, between inspections.

The right hon. Member for Upper Bann (Mr. Trimble) has acknowledged the significance of the IRA statement, and the fact that it appears to break new ground. Not

[Mr. Peter Mandelson]

surprisingly, he wishes to examine it carefully, and weigh its implications. That is entirely understandable. The right hon. Gentleman will also want to be confident, as I will, that, in moving forward with the agreement, the traditions and concerns of the Unionist people will be respected and dealt with sensitively, every bit as much as the traditions and concerns of nationalists.

I believe that all friends and supporters of responsible forward-looking Unionism will conclude that the proposals that I have outlined today, buttressed by the weekend's statement by the IRA, provide the conditions on which the right hon. Member for Upper Bann can lead his party back into government, confident that their long-standing and proper concerns have been addressed.

On the basis of such a positive response to these proposals, not only from the right hon. Gentleman's party but from all the pro-agreement parties, I can confirm to the House that I will bring forward the necessary order to restore the Northern Ireland Assembly and its Executive by 22 May.

In this event, I feel hopeful and confident that the ultimate prize—stable, inclusive government in Northern Ireland and an unbreakable peace—will at long last be within our grasp.

Mr. Andrew MacKay (Bracknell): In light of the developments in Northern Ireland over the weekend, I know that I speak for the whole House in saying to the Secretary of State that we are very grateful that at the first possible opportunity he has come to the Dispatch Box to make a statement. I endorse what the right hon. Gentleman has said—the statement issued by the Provisional IRA at lunchtime on Saturday is significant. It is worth recalling that never before have they said that they will put arms and explosives completely beyond use and have that verified. Naturally, we welcome this significant development.

The Secretary of State will not be surprised to know, however, that we have concerns, reservations and questions which I would like to put to him this afternoon. Those reservations are not least because we have all of us, the right hon. Gentleman included, had our fingers burned in the past. We thought that we had an understanding last November/December that if the right hon. Gentleman set up an Executive, within a matter of weeks the Provisional IRA would start decommissioning its illegally held arms and explosives. Sadly, the people of Northern Ireland were let down. That did not happen, and the Secretary of State had no choice but to suspend the Executive.

My first point is that we need guarantees that the arms and explosives will be permanently put beyond use. We note that the Provisional IRA is promising to bring forward confidence-building measures in the next few weeks that will give us and the people of Northern Ireland that assurance. Is there anything further that the Secretary of State can say today that will satisfy us on that point?

Secondly, we note that the Provisional IRA has said that several of its arms dumps will be available to the international inspectors. Clearly, the House wants all the arms dumps to be available. I would like confirmation of that from the Secretary of State. I would also like him to go a little further than he did in his statement about the process by which the inspectors will be constantly monitoring what happens in the dumps. As he will appreciate, spasmodic visits from time to time will not regain the confidence of the people of Northern Ireland who have suffered so much from terrorism, both republican and loyalist, over the past 30 years.

The next point that needs raising is what sanctions the Secretary of State believes he has if his international inspectors tell him that the arms have been used or moved. Can he confirm that, if necessary, he is prepared to suspend the Executive again, if the Provisional IRA fails to fulfil its part of the bargain?

We note that the two Prime Ministers have drawn together a statement saying that they wish to normalise security in the Province. That is of course welcome, not least to people living in Northern Ireland. However, can the right hon. Gentleman go even further than he did in his statement and say that there will never be alterations in troop levels or other changes in security arrangements without full consultation with, and the consent of, the General Officer Commanding in Northern Ireland and also the Chief Constable? I am sure that the right hon. Gentleman appreciates that that is essential.

Can the right hon. Gentleman confirm that, in supporting the Belfast agreement, the Provisional IRA clearly supported the fact that the agreement recognises beyond all doubt that Northern Ireland will remain part of the United Kingdom while the majority of people within it wish it to do so, and the fact that there will be absolutely no circumstances in which Northern Ireland will not remain part of the United Kingdom without the consent of the people of the Province?

Finally, will the Secretary of State accept that it is absolutely essential that the men of violence—republican or so-called loyalist—must fulfil their obligations under the Belfast agreement, just as the two Governments and democratic politicians, both Unionist and nationalist, have already done. The eyes of the world will be on them, and they will not be forgiven if they fail.

Mr. Mandelson: I am grateful to the right hon. Gentleman for his endorsement of my assessment of the IRA's weekend statement. That is the starting point and cornerstone of all the steps and further moves that I have described this afternoon.

The point at the heart of all the right hon. Gentleman's questions was whether we can trust the Provisional IRA, take it at its word and rely on that word. It has been said that IRA statements—even at their most unwelcome and bloody—have a sort of rugged honesty about them. That has been shown in the past, as my predecessor and previous Ministers could testify. While I firmly believe that we must always be on our guard and must always look ahead and test and evaluate statements rather than taking what people say at face value, my judgment is that, taken in the round and given the background of considerable efforts and difficulties from which the statement emerged, it can be relied upon. That does not mean to say that we should take anything for granted. I think that I have shown myself to be anything other than an easy touch for the republican movement in Northern Ireland, and I do not intend to become one now.

The right hon. Gentleman asked several specific questions. He must understand that the confidence-building measure is a first stage towards making arms safe

and secure. The next stage, which must follow—this is what the decommissioning process is all about—is for those arms to be completely and verifiably put beyond use. The confidence-building measure paves the way for that and builds up to it. The main process must follow, and the Provisional IRA now says that we have a political context and a backcloth of institutions that will function once more against which it can pursue the process of putting arms completely and verifiably beyond use.

I gather that there will be several substantial dumps of weaponry, explosives and detonators. Obviously, the inspection of those dumps is a matter for those whom we have nominated, and not for me. I can assure the right hon. Gentleman that a robust and dependable process will be put in place in consultation with the inspectors, who will work closely alongside General de Chastelain's commission to make sure that monitoring and scrutiny are replete and adequate for the task.

The right hon. Gentleman asked several questions about sanctions and about what we should do if it all goes wrong. I have addressed those questions in the past, and I am not blind to them now. I can only say that I am not planning for failure, but if a further political crisis is sparked in circumstances that it is not possible for me to foresee, those responsible for that crisis will be clear for everyone to see. I shall of course, at the end of the day, always ensure the good government of Northern Ireland and will take any measures necessary to secure it.

As far as normalisation measures and security are concerned, I do not act except on the advice of the Chief Constable—primarily—who in turn consults the General Officer Commanding of the Army. That has always been the case and it always will be.

Finally, the whole point of the Good Friday agreement was to enshrine the principle of consent, and for the legitimacy of Northern Ireland's position in the United Kingdom to be recognised and respected while a majority in Northern Ireland wish it. That is the kernel of the Good Friday agreement, along with principles of fairness and parity of esteem. Those principles are robust and enduring. The measures and policies that we pursue will reflect those important principles at the heart of the Good Friday agreement.

Mr. David Trimble (Upper Bann): The Secretary of State, in his statement itself, has acknowledged that we are being properly cautious in our approach to the developments of the weekend—in particular, the IRA statement. While it appears to break new ground, there are still matters that should be probed. Until we get sufficiently satisfactory answers on those and related matters, it would be premature to make a decision on this matter.

I think that the Secretary of State is also aware of our very firm view that the progress that there has been would not have been achieved but for suspension in February. Had there not been suspension in February, we would not have seen this happen. It was my own clear view that the evidence—of actions rather than words—clearly is that the republican movement only moves under pressure. That is a lesson that we hope has now been learned.

Like the Secretary of State, we take the view that the most significant part of the IRA statement is that passage in which they say they will initiate

> a process that will completely and verifiably put arms beyond use.

I should like the Secretary of State to confirm that it is the Government's view that the process there referred to—the process that will completely put arms beyond use—is, in fact, decommissioning, and that it is decommissioning in consultation with the Independent International Commission on Decommissioning and decommissioning in accordance with the legislation and the schemes. In that context, will the Secretary of State expand on the reference in the statement issued by the Government on Friday evening in which they said that they were inviting the international commission to consider amendments to the schemes? Will the Secretary of State tell us what provisions he has in mind and whether they would involve any change to the basic principles set out in the legislation?

The Secretary of State also referred to confidence-building measures that the IRA said it would undertake within weeks. Can we have it again confirmed that it is the Government's view that those confidence-building measures are of a transitional nature; that they are not the end result itself, but a transition—part of a process leading to decommissioning in the proper sense?

The Secretary of State will also know that it is very much our desire that this process should succeed and that we should see devolution restored—provided that it is done on a sound basis—and that, irrespective of whatever decision he may make with regard to the restoration of devolution, my party will make its own decision as to what role it will play in future institutions: this party's decision will always be its own decision, and should it consider that, at any point in the future, there is a failure by republicans to carry out the process, it will act accordingly.

Finally, I underline the comments of the Secretary of State that, having heard from the republican movement, it is now essential that we hear from loyalist paramilitaries. We hope that they can—as they have done in the past—improve upon what the IRA has offered.

Mr. Mandelson: I am grateful to the right hon. Gentleman—not just for echoing my comments about the loyalist paramilitary organisations; I think that all Members of the House will join him in expressing that sentiment. Of course, I respect, have always respected and will always respect the position and the right of his party to consider what it believes it is necessary to do in the interests both of those who support his party and of society in Northern Ireland as a whole. I readily acknowledge that that is how he is motivated.

I do not want to dwell on the past or to return to the issue of suspension; that is far too painful. I think that the lessons that the right hon. Gentleman described have probably been learned by everyone. On holding people's feet to the fire, no one can touch him in that regard and everyone will have heard what he said about putting pressure on others. Although pressure is sometimes unwelcome, it is none the less frequently necessary to maintain it.

The right hon. Gentleman asked specifically about the confidence-building measure. Yes, it is a start not an end; it is the beginning of the process and stage 1. Further stages must follow. As the right hon. Gentleman knows, I am not in the business of trying to announce deadlines at this stage as to when the process should finish. We have done that in the past and it got us precisely nowhere, so I am not going to try it again. None the less, the process must be on-going.

[Mr. Mandelson]

The right hon. Gentleman asked me specifically about the Northern Ireland Arms Decommissioning Act 1997. The point that he referred to in the Government statement of Friday night was simply that, if anyone wishes to make fresh proposals for new decommissioning schemes that they think are preferable to those already on the table, both Governments will consider them urgently. The whole point of any such scheme would be to maximise the latitude open to the decommissioning body to fulfil its objectives—nothing more and nothing less.

I do not propose to introduce any amendments to the 1997 Act. It set out four options for decommissioning arms, but provided for more to be created if necessary. It also says that arms can be destroyed or made permanently inaccessible or permanently unusable, and that gives us enough breadth and scope for action to proceed without amending the legislation.

Mr. Harry Barnes (North-East Derbyshire): The statement is most welcome. My right hon. Friend will know that I supported him fully on the suspension of the Executive and I support him on its re-establishment now that circumstances are dramatically different. However, would it not help in putting arms, iron bars and other weapons beyond use if, over the next year, movement were made so that exiles are no longer kept out of Northern Ireland by paramilitaries, but are allowed to return home and feel that it is safe to do so because estates in certain areas are no longer run and dominated by paramilitary groups? If there are moves in that direction in the next year, we might have everything established fully by June 2001.

Mr. Mandelson: I am grateful to my hon. Friend, who touches on a good point that I referred to in a speech I made in Belfast this morning, before I came to the House. If ceasefires are to be worth anything and are to live up to their name, and if the term "peaceful means" is to mean what it says, paramilitary beatings, shootings and the rest of it must be out now, and once and for all if we are to build the decent civic society that we all want in Northern Ireland. That applies to the use of threats against exiles as well. All that has got to go and it has got to end; it must be part of the past 30 years of conflict that we are finally leaving behind us.

Mr. Lembit Öpik (Montgomeryshire): Does the Secretary of State agree that the IRA's statement, and especially its willingness to re-establish contact with the Independent International Commission on Decommissioning, shows that those of us in the House who stuck by the process throughout without imposing extra conditions or seeking to do so probably did the right thing? Does he think, as I do, that the IRA's comment that

there is no threat to the peace process from the IRA,

while circumstantial, none the less represents a significant step forward in terms of the organisation's willingness to participate in the process? In that context, will the right hon. Gentleman confirm that he believes that the statements of the two Governments on human rights and equality of opportunity suggest that the whole process is on the move? That has to be welcomed.

I am interested in the Secretary of State's view on the June 2001 timetable. Will he confirm that he believes, as I do, that that timetable is more circumspect and thought-out than the 22 May 2000 deadline, having been more fully debated by the people who can actually deliver the decommissioning result? We might therefore be more optimistic about June 2001.

Finally, does the Secretary of State concur that this is a real development, and one most definitely needed by the process? If seen through by all the parties in Northern Ireland—as I sincerely hope it will be—it should, by rights, enable the Secretary of State to re-establish something that we all want, and that is the governance of Northern Ireland by politicians in Northern Ireland by 22 May.

Mr. Mandelson: I am genuinely grateful to the hon. Gentleman for the support and insight that he has brought to all our debates which are rooted in his upbringing and education in Northern Ireland.

The hon. Gentleman is right to say that people would have been better advised to stick by the process. Most have done so. However, over the weekend, one or two people tried to pour cold water over developments in Northern Ireland in the past 72 hours. I do not see many of them here this afternoon, so perhaps their cold water is becoming a little tepid and their scepticism is not borne out.

The Government will pursue all parts of the Good Friday agreement with vigour and enthusiasm over the coming year. Implementing all aspects of the agreement over the coming year will involve a tough, demanding and exacting timetable for us. That is the essential political context in which we can see further welcome moves in the process of decommissioning from the Provisional IRA. I certainly believe that what is happening now is only a start, but it is better to make a start than to worry so much about the finish that we never make a start in the first place.

Mr. John Major (Huntingdon): Is the Secretary of State aware that the development justifies his decision in February to suspend the institutions, controversial though that might have been? Is he aware that it is welcome news if weapons are to be verifiably deactivated? If carried through fully, that development should lead to a lasting settlement.

In view of past disappointments, it is important that the House and Government are clear about what is on offer. Is it total or partial decommissioning? Does a substantial number of dumps mean all the dumps or something substantially less than all available weapons? When will active examination of the dumps begin and what does the Secretary of State hope will be concluded by the deadline of June 2001? Will he elaborate to the House on any price that he feels the IRA might attach to the offer? What does the IRA mean by full implementation of the Belfast agreement? If, as I suspect that it might, that involves further movement by the Government on security or other issues, is the Secretary of State aware that that deserves support, provided that such movement is synchronised with, and does not precede, the IRA's movement on beginning to put arms beyond use.

From the outset, this has been a long trail. There may yet be setbacks in a process of this nature. However, this weekend's statement has brought hope back to Belfast. I hope that past enmities and distrust will not disguise the opportunity that now seems to lie at hand.

Mr. Mandelson: I am grateful to the right hon. Gentleman, whose words will be welcome across the

community in Northern Ireland, not least because no one knows more about that long trail, as he calls it, than he does.

May I first take up the right hon. Gentleman's final point about the price being paid? I am eternally vigilant about the price that has to be paid for such moves, and I am especially vigilant on the subject of security normalisation. There is absolutely no question that we shall do anything other than respond to changes and reductions in the security threat; we are not carrying out measures of security normalisation in order to procure political change. That is the important principle. As I said in my statement, I believe that it is possible for us to move ahead with some initial measures, and I know that the Chief Constable is currently considering those measures. However, what lies ahead and what further progress we make must rely on our assessment of the security threat as it develops and as it manifests itself on the ground at that moment. I hope that everyone has heard those three very important qualifications.

As for the confidence-building measures, it is important to distinguish between initial measures to make arms safe and secure, which the IRA says it will undertake, and the continuing, subsequent process of decommissioning—or, as the right hon. Gentleman says, deactivating. I think that it was he who first introduced the term "decommissioning", and he has now introduced a new term, "deactivating"; That is a rather smart and appropriate term to use, and I shall borrow it henceforward.

As for CBMs—the opening and verifying of the dumps—the two inspectors, Mr. Ahtisaari and Mr. Ramaphosa, will visit Belfast next Monday. All the technical detail has to wait until they come and we have that discussion with them. They will go through all that with General de Chastelain and his colleagues, in consultation with the Government, and I do not want to pre-empt or anticipate how they will do that. All I will say is that I know that Mr. Ahtisaari has considerable experience of these matters in the Balkans, most recently in Kosovo, and there have been similar situations with similar needs that have been addressed in the past; therefore, I do not think that it will be impossible for us to devise the precise arrangements and technical details that are needed.

As for what I hope we have achieved by June 2001—total, partial, on-the-way or two-thirds decommissioning—I really do not want to predict or speculate at this stage. All I know is that unless that process continues and it is enduring, reliable and robust, there will always be the danger of confidence running out of the political process, as it did previously. That is the last thing that we need and it would be a crying shame if it did occur. I hope and assume that everyone who has responsibility for making progress in these matters will do so, so that confidence is maintained, not only for the immediate future, but for always.

Mr. Kevin McNamara (Hull, North): My right hon. Friend will be aware of my pessimism following his decision to suspend the Executive. I am pleased to admit that my pessimism seems to have been confounded, and I wish to join in the congratulations to him, to both Governments and to the parties on the hard work that they have done that has enabled this weekend's statement to be made.

What is especially important is that all parties appear to have recognised that there was a ceasefire, not a victory or a defeat for either side; and that therefore there is now no ultimatum or fixed date. In the past, those hoops have been raised by various people from time to time, and people felt that the IRA had to jump through them. The fact that they no longer exist, coupled with the IRA's statement, gives great cause for hope.

I conclude by wishing the right hon. Members for Upper Bann (Mr. Trimble) and for Strangford (Mr. Taylor) courage and good heart during the very difficult negotiations that they will have with their own party.

Mr. Mandelson: I am grateful to my hon. Friend, who has not only shown recent pessimism about the situation but has demonstrated a colossal commitment over many years to getting under way the peace process which we now see culminating, I hope, in success. My hon. Friend is right. If there were any connotations of surrender or defeat or other people being victorious, forget it—we would get absolutely nowhere. That is why we must be so careful about the language that we use and the tone that we adopt when we talk about these matters. All the time, whether Unionists are coming into the devolved institutions or paramilitary organisations are decommissioning, all those are voluntary acts. We are persuading people and creating the conditions and circumstances in which they will follow and go with each other along a virtuous path. That is why my hon. Friend's point is so valid. We are not asking people to jump through hoops. We are asking them to live up to their word and to others' expectations of them. That is what we must hope and assume will be the case in the months and years to come.

Mr. Peter Brooke (Cities of London and Westminster): Since, of the 14 places where Robert the Bruce is said to have had his famous encounter with the spider, the BBC commends Rathlin island off the North Antrim coast, may I start by congratulating the Government on having followed Robert the Bruce's example? May I also ask the Secretary of State to clarify an aspect of the expansion of the international inspection? One of the new international inspectors shares nationality with a member of the de Chastelain commission, but the other does not. If the process of inspection is to be continuous, how does the Secretary of State envisage that the second international inspector will be able to carry out that inspection?

Mr. Mandelson: I do not think that the inspectors' respective nationalities will be such a relevant factor or a hindrance for either or both of them. However, the right hon. Gentleman touches on a good point about the relationship. Let me make this clear. We are asking the former President of Finland, who has considerable experience and current activity in relation to international crises and conflict resolution to carve out of his diary at very short notice a considerable commitment of time. I do not want to put him off by rehearsing in advance what the task will involve, but we are looking to those individuals to come and spend at least a couple of days at a time on each inspection that they undertake, which will continue for some time to come. Suffice it to say that I think they know what they are letting themselves in for—at least I hope they do, or rather I hope that they do not know too much of what

[Mr. Mandelson]

they are letting themselves in for. None the less, both are very committed, and they will be able to draw on the considerable expertise that has already been built up in General de Chastelain's commission from the three commissioners who work in that body. I have absolute confidence that they will be able to work well together, in the initial stages on the confidence-building measures, as the decommissioning body takes on the further responsibility for supervising the decommissioning process in the longer term.

Several hon. Members *rose—*

Madam Speaker: Order. I should be obliged if I could now have brisk questions and answers. Many hon. Members are still standing, and there is another major statement to come before we get on to our main business.

Mr. Peter Temple-Morris (Leominster): My right hon. Friend's statement is unreservedly welcome. Does he agree that the unprecedented IRA statement that we are discussing represents the best and possibly the last chance of delivering peace to Northern Ireland under the present peace process? Does he further agree that to oppose it without good cause is tantamount to opposing peace itself?

Mr. Mandelson: I am grateful to my hon. Friend for his comments. I am tempted to say that we should not look a gift horse in the mouth. It is right to question the statement, to probe it and to see what is there behind the smile, but having done all that, which I do not hesitate to do, I hope that at the end of the day, people will embrace it for what it is. It may not yet be perfect in every respect, but for now, it is as good as it gets.

Sir Brian Mawhinney (North-West Cambridgeshire): Does the Secretary of State accept that all who have contributed to creating the environment that has allowed him to make this encouraging statement today should be commended? Given that many of us agree with his analysis that we need to build confidence and trust, does he recognise that that would be facilitated if the initial verification visits were regular—indeed, frequent—and the results of each published at the time?

Mr. Mandelson: The inspectors of the dumps are committed to doing whatever is needed to ensure that their remit is properly fulfilled. As for the reports of the de Chastelain decommissioning body, the Governments have given a commitment to publish them fully and promptly in future. I personally attach great importance to that.

Mrs. Maria Fyfe (Glasgow, Maryhill): Has my right hon. Friend noticed that, while the right hon. Member for Upper Bann (Mr. Trimble) had the decency, good sense and honesty to remark that similar moves should be made by Unionist paramilitaries, no speaker from the official Opposition has referred to that aspect of the problem? Does he agree that it would be constructive if Opposition Members would refer to it?

Mr. Mandelson: My hon. Friend speaks of loyalist, not Unionist paramilitaries. I entirely endorse her sentiment, but I believe that the comments to which she refers have been made by the Opposition. I have no doubt that the right hon. Member for Bracknell (Mr. MacKay) shares my desire for loyalist paramilitaries to follow up and reflect what the Provisional IRA said over the weekend.

Mr. John D. Taylor (Strangford): We are discussing a statement not by Sinn Fein but by the IRA. That is a breakthrough in itself. However, there must be some clarification. For example, the IRA has said that it will put arms beyond use. That means that it could put 5 per cent. of its illegal arms beyond use and retain the other 95 per cent. of its arsenal to continue terrorism in the island of Ireland. Will there be some guarantee that all the illegal arms that are currently in the hands of the IRA will be brought under control in some way and that the process is on-going?

Much though we want the normalisation of policing and security, will the Secretary of State assure the people of Northern Ireland not only that the role of the Provisional IRA will be considered, but that the on-going threat from the Real IRA and the Continuity IRA will be a factor in making decisions?

The Belfast agreement placed an obligation on the Dublin Government to create a Human Rights Commission in accordance with the European convention on human rights. We have anxieties about the treatment of minorities in the Republic; that is why we got the requirement written into the Belfast agreement. Two years have passed; will the Secretary of State tell us when it will happen?

I commend the Secretary of State and the Prime Minister for their contribution to the on-going process.

Mr. Mandelson: I am glad to say that, in the joint statement, the Irish Government said that it would establish a Human Rights Commission and introduce legislation shortly.

On the dissidents to whom the right hon. Member for Strangford (Mr. Taylor) correctly draws attention, I shall highlight another paragraph in the joint statement that the Governments issued on Friday. It is important to note that they pledged themselves to taking all and any effective measures necessary for dealing with continuing terrorist activity and threat from dissident paramilitary individuals and organisations. We shall step up our measures as well as our vigilance. It is important to do that in full co-operation with the security forces of the Irish Republic.

The right hon. Gentleman asked whether the IRA was talking about all or part of its arms. I have no hesitation in saying that our requirement and my expectation is that all the arms will be placed under the sort of control to which he referred. We are talking about "completely and verifiably": we are talking not about "somewhat", "sometime", "perhaps" or "if", but "will completely and verifiably". In the unlikely but theoretically possible circumstances of the Provisional IRA ceasefire being broken, its breach would be clear for all to see and judge. That would mean that it was impossible for the political representatives of the republican movement to remain active participants in the democratic institutions that we are creating.

Dr. Norman A. Godman (Greenock and Inverclyde): I was struck by the fact that the right hon. Member for Strangford (Mr. Taylor) said that the IRA's statement is

a breakthrough. I welcome the early re-institution of the Executive and the Assembly, but, in relation to my right hon. Friend's comments on initial decisions on the security front, a fine confidence-building response would be to order the early demolition of the Barouki tower, known as the crow's nest, in Crossmaglen square. That ugly blot on the townscape serves no useful security purpose, which is a point that I have made to the Chief Constable himself.

Mr. Mandelson: My hon. Friend wrote to me recently, following his visit to South Armagh, about one or more of the installations which, in his opinion, are particularly intrusive. I have considered his comments and brought them to the attention of those who are responsible, but I must make it absolutely clear that I shall not go into the ins and outs of any particular arrangement or installation that exists in Northern Ireland, except to say that nothing will change—nothing will go down, nothing will go up—except on the clear, unequivocal advice and say-so of those who are responsible for advising me on such matters: primarily the Chief Constable, in consultation with the General Officer Commanding.

Mr. Andrew Hunter (Basingstoke): Is not the Provisionals' position unchanged in at least two key respects? First, the full implementation of the Belfast agreement has only the potential to remove the causes of the conflict; full implementation itself will not remove those causes. Secondly, the IRA has still not unequivocally and unconditionally committed itself to decommissioning all its weapons.

Mr. Mandelson: If we trawled over a detailed, word-by-word analysis of all that the IRA has said, we would be here for the rest of the day, but we are not here to do that. These matters are very important, however. We have heard many such statements before. We have to look behind what is meant in addition to what is simply said. I am satisfied, given my examination of these matters, that what has been said has been said sincerely and without cynicism, but it remains to be seen whether what has been said will be borne out by deeds and actions. We should judge the IRA by deeds and actions rather than simply words.

Mr. Mike Gapes (Ilford, South): Does my right hon. Friend agree that the renewal of the process would not have been possible but for the excellent relationship between the British and Irish Governments and, especially, between our Prime Minister and Taoiseach Bertie Ahern? Will he emphasise in his future deliberations on such matters the continuing importance of the close relationship between the British and Irish Governments, especially on the provision of whatever necessary security, logistical or material support Mr. Ramaphosa and Mr. Ahtisaari will require to do their important work?

Mr. Mandelson: Yes. I have no hesitation in echoing what my hon. Friend says. The relationship is excellent. We would never have got anywhere—we certainly would not have got where we are today—without the relationship between the two Governments, the particularly close relationship between my right hon. Friend and the Taoiseach and the relationship between me and the Irish Foreign Affairs Minister. It is a very honest relationship—*[Interruption.]* It is a very honest relationship, and no less robust and reliable for that. The Taoiseach and the Foreign Minister have made a tremendous, absolutely first-rate contribution, with their officials, to what has been achieved. Our continuing success certainly depends on that relationship remaining permanent.

Mr. Ken Maginnis (Fermanagh and South Tyrone): It seems a long time since I first stood at this Bench and talked about disarmament and verification of a process and the need to be reassured that the war is over. We have had numerous euphemisms in the interim, most of which have run into the sand because the nuts and bolts, the practicalities and the technicalities, have not been dealt with effectively.

Now that we are dealing with the real men of violence—the IRA—does the Secretary of State recognise that the Ulster Unionist party still has day-to-day responsibility for reassuring society in Northern Ireland? We do not want the invigilators to work in a detached way: we want contact with them from time to time, especially at the outset, so that they understand what is required from society's point of view.

Mr. Mandelson: The hon. Gentleman makes a good point. I do not know how long we have the two of them in Belfast next Monday, but if it is possible for them to meet the main political representatives during their visit that would be very desirable. Of course the devil is in the detail in all these matters. Whatever other shortcomings and vices I have, not having an eye for detail and not being able to micro-manage things are not among them.

Mr. Jeremy Corbyn (Islington, North): I thank the Secretary of State and the Prime Minister for the work that they have done and for the welcome statement that has been made today. My right hon. Friend says that he hopes the Assembly will reconvene on 22 May. Does there have to be a vote and debate in the House?

Although there is a statement from the IRA, my right hon. Friend hopes that there will also be one from the loyalist paramilitaries. If it is not forthcoming before 22 May, will he continue with the re-establishment of the Assembly, or will there be a delay because of the loyalist paramilitaries' inability to come up with a statement such as the IRA has made this weekend?

Mr. Mandelson: I hope very much that the loyalist paramilitaries follow up and echo what the Provisional IRA has said. That is terribly important if we are to build confidence right across the community in Northern Ireland. I am not in the business of making conditions about statements or about decommissioning in relation to the devolved institutions.

Mr. Corbyn: Good. I did not want my right hon. Friend to do that.

Mr. Mandelson: I thought for one minute that my hon. Friend was asking me to make that conditional, and to reintroduce a direct relationship between those two things. There will be an order and a debate before 22 May, and I have every expectation that the Executive of the Assembly will be going again on that date if we get the positive response from the parties that we are looking for.

Mr. Robert Jackson (Wantage): Only the IRA knows the size and location of its arms holdings. Therefore,

[Mr. Robert Jackson]

decommissioning and the destruction of arms was always going to depend on the calculation of the IRA's interest and its good faith and trust, as the Secretary of State has said. Do not those two things apply equally to the current proposal for decommissioning by way of inspection of these weapons?

Mr. Mandelson: Yes is the answer to that, but this time we are doing more than merely travelling in hope. What the Provisional IRA has said is so direct and so clear-cut that it would lose a colossal amount if it were to resile in any way from the commitments that it has made. Of course I do not know the size and location of the IRA's weaponry. Although we can deactivate arms, we cannot decommission engineering knowledge and the ability to import or to remake arms should it wish to do so. That is why the motivation and the intention of the Provisional IRA and how that has been stated and described over the weekend is so important. Pursuing political objectives by peaceful means is the top and bottom line of that statement in this situation. That is the big picture, and we should not lose sight of it.

Mr. Steve McCabe (Birmingham, Hall Green): I welcome the Secretary of State's announcement about the institutions. Is this not the time for all genuinely peace-seeking politicians in Northern Ireland to commit themselves totally to the peace process, and is it not an opportunity for the right hon. Member for Upper Bann (Mr. Trimble)—for whom I have considerable respect—to make it clear to those around him who oppose the process that he is determined to go down in history as a peacemaker?

Mr. Mandelson: Since becoming Secretary of State, I have long since learned not to give the right hon. Member for Upper Bann (Mr. Trimble) any lectures on how to manage his party. That would be completely beyond me, even if I desired to do it—and sometimes, perhaps, beyond the right hon. Gentleman as well.

I hope that the right hon. Gentleman's party will reach the conclusion that we all want and pray for, but it must make that decision in its own way and in its own time. It is a large party, and an intensely democratic party. That is why, for now, I shall leave things in the capable hands of the Ulster Unionist Council.

Mr. Nicholas Soames (Mid-Sussex): I give a cautious welcome to what is clearly improving news, but does the Secretary of State accept that there is a significant problem? The arms that the IRA says it will decommission will be, as it were, the institutional arms, which are all in one place. Many weapons will remain at large in the community, and under the control of the IRA. Will the right hon. Gentleman draw to the inspectors' attention the real need to deal with those weapons, as well as the weapons that will appear in the dumps?

Mr. Mandelson: That is not the responsibility of the inspectors, so, with respect, I shall not be drawing it to their attention.

These arms, right across the community, are not simply in the hands of the IRA; they are in the hands of many people and organisations. That is why, if we are to build the decent, democratic civic society that we want to see in Northern Ireland—if we are to succeed in taking the gun out of Irish politics for ever—all those guns and all those people must be addressed, and all those people must be persuaded to deal with the matter.

I agree wholeheartedly with the hon. Gentleman, but I think that this is something not so much for the inspectors as for General de Chastelain's commission to examine and tackle, and I shall urge it to do so.

Mr. John Wilkinson (Ruislip-Northwood): Long before the right hon. Gentleman's star span into the political firmament, militant republicanism had shown its murderous capacity for mutation—from official IRA to Provisional IRA, and now from Provisional to Continuity and Real IRA. It will probably continue to mutate long after the right hon. Gentleman has, like some comet, gone into outer darkness. Given that weapons are kept in the barn, under the floorboards and in the house next door—if it is empty—is it not vital that no security arrangements be reduced until such time as, over the years, it has become perfectly plain that weapons are being taken out of society and not just being put on display for the benefit of visiting foreign inspectors?

Mr. Mandelson: I think the hon. Gentleman has introduced a rather cynical—unjustifiably cynical—note. I do not know whether I shall be in outer darkness, or in what part of the firmament I shall be, when we see these organisations, rather than continuing to mutate, fade away and wither on the vine for ever. That is what I want to see—an end to the mutating, and a start to the withering—but it will only happen in the context of politics working and being seen to work. That is why we have set out the proposals that we have set out; that is why we are constructing this backcloth of political change and development in front of which the decommissioning process can get under way—I hope thoroughly, and I hope faithfully.

I hope that we shall be able to come back at some time in the future, and demonstrate that the hon. Gentleman's scepticism was unfounded.

Mr. Eric Forth (Bromley and Chislehurst): The Assembly is to be reinstated this month, but the Secretary of State said, I thought very revealingly, that he did not know whether deactivation would have been completed even by June 2001. Can he therefore give any indication as to when he will judge whether the deactivation process has been a success and, in the light of that, what the status of the Assembly should be? Can he please tell us: will these now increasingly famous dumps be in Northern Ireland, in the Republic or in both?

Mr. Mandelson: I suspect, in direct answer to the right hon. Gentleman's last question, that the dumps will be in the south, rather than the north, but I cannot say that for sure or exclusively. However, that is what I suspect will be the case.

I am not plucking particular dates or standards, or particular points in time by which I will judge whether the process has been successful or not. It has to be continuous. We have continuously to keep all this under review, continuously to keep the pressure up, continuously to maintain the engagement between the paramilitary

organisations and the de Chastelain commission. There is absolutely no point in descending for a day in a month, looking around, asking what is going on and simply walking away and losing sight of what is happening between those times. That is not how I want people to behave. It would not be the best approach to take.

Madam Speaker: Thank you. The House is now ready to take the second statement.

Sierra Leone

4.36 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): With permission, I shall make a statement on Sierra Leone. I regret that it is one of the gravest statements that I have had to make to the House.

Over the past week, Revolutionary United Front rebels have broken their commitment to the Lomé peace agreement and have returned to conflict. They have made a number of attacks on the United Nations forces and on demobilisation camps. At least four Kenyan members of the UN forces have been killed in action. Around 500 United Nations personnel have been detained, including one British UN military observer.

At the weekend, the rebels appeared to be moving on Freetown. The situation in Freetown is tense. I spoke at midday to our high commissioner there, who reported that the police had been successful in arresting a number of rebel bands and had seized arms which they had been about to distribute.

Tens of thousands of residents of Freetown loyal to President Kabbah have today marched on the residence of the rebel leader, Foday Sankoh, which they have surrounded. From about 1 o'clock this afternoon, the sound of gunfire could be heard from that location. That development has serious implications for the security situation within Freetown and for the future actions of rebel forces commanded by Foday Sankoh.

Our first duty is to protect the lives of British citizens in Sierra Leone and of others for whom we have consular responsibility. We believe that there are up to 500 British nationals in Sierra Leone, mostly in the Freetown area. There is a smaller number of European Union nationals and Commonwealth nationals without diplomatic representation, for whom we have consular responsibility.

Our immediate advice to British residents in Freetown is to stay indoors. This afternoon, the high commission has activated its evacuation plan and is contacting British residents through the local warden network to give them the necessary instructions.

In view of the limited commercial opportunities to leave Sierra Leone and the current insecurity, we have taken the precautionary measure of deployment of a number of British military assets to West Africa. The forward elements of the current spearhead battalion, the 1st Battalion The Parachute Regiment arrived in Dakar, Senegal over the weekend. They are currently moving from Dakar to Freetown. In addition, HMS Ocean, support vessels with 42 Commando and a number of helicopters are moving towards the region and will be at Sierra Leone early next week. HMS Illustrious has been withdrawn from a NATO exercise to be available as needed.

Those measures have been taken to ensure that we are best placed to respond quickly to safeguard the security of British nationals. Our forces will ensure the security of the international Sierra Leone airport. Not only is that of immediate utility for the evacuation, but it is valuable in allowing the UN forces to continue to build up.

The UN force is currently about 3,000 short of its mandated strength of more than 11,000. We are urging the nations contributing to the UN force to expedite the

[Mr. Robin Cook]

additional numbers. I spoke last night to Madeleine Albright, and I welcome the United States's offer to consider strategic airlift to fly in units from the Jordanian and Bangladeshi armies.

I have also spoken to Kofi Annan, the Secretary-General of the United Nations, and offered further logistical support, such as vehicles, for the UN force. I pressed upon him that one of the immediate lessons of the past few days is that nations contributing forces to the UN must also contribute the equipment necessary to fulfil the UN's mandate.

Responsibility for the current outbreak of violence lies squarely with the RUF rebels and their leader, Foday Sankoh. A year ago, he committed himself to a peace process that offered re-integration and retraining to his troops in exchange for demilitarisation. Considerable progress had been made on that process. UN forces had deployed across two thirds of the country. Almost half the armed groups had registered at demobilisation centres, and a significant quantity of weapons had been surrendered. Work had begun on training a new defence force for the legitimate Government of Sierra Leone, and on preparations for democratic elections next year. All that progress has been put at risk by the RUF reneging on commitments that it has made.

One of the triggers for the current conflict appears to have been the attempt by the UN forces to enter the diamond-producing region that is held by the RUF and provides it with weapons and friends. That development underlines the importance of the international debate, in which Britain has been a leading voice, for more transparent regulation of the trade in uncut diamonds. I shall be pressing at the forthcoming meeting of Group of Eight Foreign Ministers for an international system to certify that diamonds do not come from conflict areas. We should not allow diamonds to be sold for the price of weapons or at the cost of lives.

I want to make it clear to the House and to the people of Sierra Leone that Britain will not abandon its commitment to Sierra Leone. Britain has done more than any other country outside the region to restore legitimate government in Sierra Leone. We are the largest national donor to the peace process; we hosted the international donors conference earlier this year; and we are in the lead in training the new army for the Government of Sierra Leone.

We shall continue to take the lead at the UN and elsewhere to restore the peace process. We must not allow a few thousand rebels to prevent the end to violence, and the peace in which to get on with their lives for which 3 million people in Sierra Leone desperately hunger.

Mr. Francis Maude (Horsham): I thank the Foreign Secretary for making that statement. The whole House will be desperately concerned about the violence in Sierra Leone. No one could begin to excuse the conduct of a gang of thugs who have indulged in some of the most appalling acts of vicious brutality against civilians, including large numbers of young children.

With respect to the Foreign Secretary, it seems to most of us that it has not been only in the past week that the Lomé peace accord has broken down. Sadly, most of the Revolutionary United Front has never accepted that peace, but continued with a loathsome campaign of killing and maiming. We all wish nothing but the best for the people of that unhappy country, who are being used as the playthings of some thoroughly nasty individuals.

The House's thoughts will particularly be with the British nationals who are still in Sierra Leone, including the Foreign Office personnel, and with their families at home who are bound to be concerned about their safety. We are especially concerned for the British service man attached to the United Nations forces who has been taken hostage by the RUF, and for his family at this anxious time.

We strongly support the decision to send the contingent of our armed services to Sierra Leone. We wish them good fortune in the tasks that may lie ahead of them.

Will the Foreign Secretary tell the House how many British nationals are still in the country, and whether they are able to leave without impediment? Where are they concentrated? He said that most of them seem to be in Freetown, but how far-flung are the rest? Do any of them seem to be trapped in areas held by the RUF? Is he satisfied that everything that can be done by the United Nations to free the British service man is being done? As I understand it, he was there under the aegis of the United Nations.

Given the evidence that Britain's armed forces are already stretched dangerously thin, will the Foreign Secretary make it categorically clear that the British contingent in Sierra Leone has one mandate, and one mandate only: to get the British nationals out? Will he assure the House that the sending of, effectively, three battalion strengths of the Parachute Regiment and Marines, as well as five ships—plus, we are now told, an aircraft carrier—is for that purpose only, and not part of a wider military commitment to shore up a United Nations operation that appears to be close to collapse?

The Foreign Secretary's remarks about securing the airport partially to enable the further build-up of UN forces will have rung some alarm bells. There would be no public support, I believe, for allowing British forces to be sucked into a civil war in Sierra Leone. What benchmarks and time limits have been set in place to ensure that the operation to evacuate British nationals does not gradually extend into a much wider mission?

Do any of the other countries with nationals still in Sierra Leone have plans to send forces to help with the evacuation? If so, will Britain take part in a joint evacuation operation?

It is at times like this, when British nationals abroad are in danger, that we have cause to be glad that our armed forces, in their courage and professionalism, are the envy of the world. Does the Foreign Secretary agree that such circumstances underline how important it is that our commitments should not outstretch our capabilities, and does he accept that the sorry tale of Sierra Leone shows that, with the best will in the world, there are limits to what the United Nations can do in attempting to keep a peace that has never been properly struck?

Mr. Cook: First, I thank the right hon. Gentleman for his support and I entirely echo what he said about the courage and professionalism of British troops. Once again, we have seen how fortunate we are in that respect. I also join in what he said about the family of the detained British officer. We understood at the weekend, when we

last heard, that he was alive, safe and well, but plainly nobody can relax until his release has been obtained. The United Nations has sent missions and has used intermediaries. We very much hope that that will be successful in securing the early release of all the UN detainees, and our own British officer in particular.

The right hon. Gentleman was quite right in describing the appalling brutality of the RUF and its members. They are particularly given to lopping off the limbs of those who do not subscribe to their view of society and the world: there are many young children in Sierra Leone who now have neither arm as a result of their actions. They have also indulged in systematic rape, and we know that some of the women who were captured for that are still kept in a condition of effective sexual slavery. It is also the case that they abduct children and force them into their operations. There are probably about 2,000 children at present being compelled to act as child soldiers with the RUF.

I entirely echo what the right hon. Gentleman said about the brutal, nasty nature of the RUF and the need to contain it, and that is why I invite him to reflect again on the language that he used about the UN operation. The message from the House should not be that we are about to accept the collapse of the UN operation or that, reading between the lines, we might be secretly gratified to see its collapse. We all want to work to make a success of that operation, and Britain will take every step that we can to do so.

I would have thought that it would be welcome to the House to hear that the presence of British forces will maintain the international airport for the supply of that UN force. We cannot simultaneously decry the brutal character of the RUF and be unwilling to establish a bridgehead for the UN to enter.

We will continue to review daily the mandate for the British force and the time scale for its remaining, and we will weigh the value of its presence against the security and safety of those who are in it.

We understand that the overwhelming majority of British nationals are in Freetown. We cannot be precise about numbers because we do not know how many people have voluntarily left in the past few days, given the deteriorating situation. Some are still further up country, particularly some who are working for non-governmental organisations outside Freetown. We hope that we will be able to make contact with them when possible and that they will be able to return to Freetown and take part in the evacuation.

No other European nation is operating an evacuation plan, but we are the only European nation with a diplomatic presence in Freetown. We accept our obligation in those circumstances to act on behalf of other European nations, as we would expect them to do if the situation were reversed.

Mr. Donald Anderson (Swansea, East): This is a timely response to the continuing crisis in a friendly Commonwealth country. We know that many Commonwealth countries in southern Africa have committed manpower and materiel to help President Kabila in the Democratic Republic of the Congo. He has no democratic mandate. By contrast, President Kabbah in Sierra Leone does have a democratic mandate. Can we expect a similar response from Commonwealth countries in southern Africa, following the clear promises that were made as a Commonwealth to President Kabbah at the Commonwealth Heads of Government meeting in Edinburgh in autumn 1997?

Mr. Cook: It is certainly true that several Commonwealth countries have a presence in the Congo, on both sides. In relation to Sierra Leone, no country could have done more than Nigeria has done in providing leadership. It has done so at considerable cost to the Nigerian armed forces, having lost around 1,000 men in fighting in Sierra Leone. Nigeria still has two battalions in Sierra Leone, which are now attached to the UN forces. We are in contact with Nigeria to see if it can in any way strengthen its contribution in the current circumstances.

Mr. Menzies Campbell (North-East Fife): I offer my support for the action taken and for the stated objective. In particular, I associate myself with the Foreign Secretary's response with regard to the United Nations. It would be curious indeed if a permanent member of the Security Council of the United Nations were not willing to provide such assistance as he has just described.

The Foreign Secretary will accept that the mission may be no picnic—if he will forgive the colloquialism. The situation is deteriorating hourly. Is he able to say, perhaps after consultation with the Secretary of State for Defence, when HMS Illustrious will be available to provide air support, because there are circumstances in which that may become very important?

Is the Foreign Secretary familiar with the inelegant but illuminating American expression "mission creep"? It describes a situation in which troops deployed for one purpose slowly, under pressure of events and with the best intentions, find themselves drawn into operations for which they are not prepared, trained or equipped. Can we be satisfied that the Foreign Secretary and the Defence Secretary will keep a close eye on the operations to ensure that that does not occur?

It is an open secret that plans for evacuation from another country several thousand miles to the south of Sierra Leone have been drawn up in recent weeks. Can we be satisfied that if it comes to the point of evacuation in Zimbabwe—although we all hope that it does not—there will be sufficient resources to enable that to take place? Does not the evacuation from Sierra Leone point up the importance of conducting those events effectively and efficiently, as an example, to make it clear that if we have to carry out a similar mission in Zimbabwe, we will be well able to do so?

Mr. Cook: I am grateful to the right hon. and learned Gentleman for stressing our duties as a permanent member of the Security Council. It is plainly incumbent on us to do all that we can to assist the UN presence in Sierra Leone. HMS Illustrious is available now, in the sense that it has been detached from its present duties. If required, it could reach Sierra Leone in a matter of days.

The right hon. and learned Gentleman asked whether those troops being deployed have been trained for such a mission. The spearhead battalion is specifically on call as a rapid reaction force in the event of such an evacuation being required. It is prepared and trained for the task and will do its job professionally and competently.

I heard what the right hon. and learned Gentleman said about another country, but I hope that he will forgive me if I do not follow him down that path. Following

[Mr. Cook]

discussion of evacuation plans, threats are now being made to British nationals in Zimbabwe. The less that we encourage that, the better.

Mr. Tam Dalyell (Linlithgow): Rightly or wrongly, the Government have made a major, open-ended commitment. Does that commitment have the approval of Jerry Rawlings and the Government of Ghana?

Mr. Cook: I cannot say that we have consulted President Rawlings specifically on the statement that I have made, but Ghana has been very supportive of the efforts made by ECOWAS and ECOMOG to restore peace in Sierra Leone. It is a full supporter of the Lomé agreement, and I have no reason to doubt that the Government of Ghana would associate themselves fully with many of the things that I have said about the RUF.

Sir Peter Emery (East Devon): The right hon. Gentleman will know that the House is massively in favour of support for the democratic Government of Sierra Leone, and that it condemns absolutely the terrifying behaviour of the RUF. However, I hope that he will be kind enough to answer two questions. First, is not the lesson to be learned from this matter that, when an agreement such as the Lomé agreement is in doubt and United Nations troops are sent in, they must be armed sufficiently to cope with the type of situation that can arise? In Sierra Leone, for example, 500 such troops have been captured.

Secondly, what does the Foreign Secretary mean when he says that Britain will not abandon its commitment to Sierra Leone? That could be taken as a very wide statement, which might well mean that we would have to use British troops for some considerable time to sustain a peace structure in Sierra Leone. I hope that the right hon. Gentleman can give the House a little more detail of what his statement means, so that it is not misinterpreted.

Mr. Cook: I am happy to pick up the right hon. Gentleman's second point. As I said in my statement, Britain is the leading international country providing support for the peace process. We have put in more money than any other nation—*[Interruption.]* The right hon. Gentleman asks me to elaborate, and I am doing so. Britain has put in more bilateral aid than any other nation, and almost £70 million has been committed to the peace process over the past two years.

In military terms, we are in the lead when it comes to training an army for the Government of Sierra Leone. One of the tragedies for the country is that the Government have no army, as all the members of the former army deserted in 1997.

We are also providing 15 UN observers attached to the UN force, but we have no intention of providing combat troops for that force. I hope that I have reassured the right hon. Gentleman on that point.

I have much sympathy with the point that the right hon. Gentleman made about the lessons to be learned from this episode. When UN member states contribute forces to UN operations, it is imperative that they provide both the appropriate number of troops and all the equipment that they need. It is the responsibility of contributor nations to decide what equipment and weapons troops should take to such operations.

The UN pays for such contributions. When I spoke to Kofi Annan at the weekend, I suggested that in future the UN should assess not only the quantity of troops that it pays for in such operations, but the quality of their support and discipline.

Mr. Kevin McNamara (Hull, North): Is my right hon. Friend aware that the city of Hull is twinned with Freetown? Over the past few decades, a close and continuing relationship has developed, and we have help to train local government personnel and others. The events that have unfolded over the past few weeks have caused much shock and horror, and aroused fears that terrible scenes of butchery might be seen again in Sierra Leone.

Will my right hon. Friend assure the House that British nationals and others for whom the Government have a responsibility will be protected and helped, and that a similar degree of protection will be extended to those citizens of Sierra Leone and of Freetown who have co-operated happily with the NGOs and others? Will he ensure that their co-operation will not cause them to be singled out as victims if the RUF should turn out to be successful?

Finally, I thank my right hon. Friend for his robust statement, and the robust riposte that he gave to the speech of the Opposition spokesman, the right hon. Member for Horsham (Mr. Maude), which was one of the most disgraceful things that I have heard in the House for a long time.

Mr. Cook: I appreciate my hon. Friend's point about the hopes of the people of Sierra Leone, and those in Britain who are concerned about their welfare, being dashed. What has happened in the past week has been particularly cruel, given the enormous hope that was invested in the peace agreement a year ago. I remember, just about a year ago, speaking personally with President Kabbah after he had toured the country selling the details of the peace agreement. He told me of the joy, the elation and the relief of the people he addressed at the prospect of peace and an end to violence and repression by the RUF. We must not let that hope die—we must make sure that we restore the peace that was promised a year ago. We will do all we can to ensure that that peace is rebuilt and that the people of Sierra Leone have the right to enjoy the same stability and peace as any of us. However, I must be candid and honest about this—I cannot offer them the military protection that we are currently providing to secure the evacuation of our own nationals.

Mr. Andrew Robathan (Blaby): Given the litany of the thousands of awful murders and mutilations that the Foreign Secretary referred to, does he accept that his foreign policy on Sierra Leone over the past three years has not been a success? Does he remember the Prime Minister's official spokesman saying two years ago that it did not really matter because the good guys won? Does he regret that? Does he regret not listening some two and a half years ago to the advice of Peter Penfold, when high commissioner? He was then supporting President Kabbah,

who wished to stage a coup—a counter coup—which might not have led to the terrible murders that we have seen in the past three years as a result?

Mr. Cook: The whole House will appreciate that the hon. Gentleman has uncorked the ancient vinegar. I think it regrettable that there is any Member of the House who cannot rise to the gravity of the situation faced by 500 British nationals and those UN forces engaged in the field.

The hon. Gentleman referred to President Kabbah staging a coup—rather curious, considering that he was elected by the people of Sierra Leone.

Mr. Robathan: Counter coup.

Mr. Cook: I think that "counter" came after the hon. Gentleman originally said that it was a coup. I presume that the hon. Gentleman was making a reference to Sandline. The liberation of Sierra Leone that occurred in 1998 had nothing whatever to do with Sandline, and everything to do with Nigerian troops, which took a large number of casualties in the process. The truth is that, in the present situation, mercenaries would be nothing but a menace.

Jane Griffiths (Reading, East): Does my hon. Friend agree that a way should be found for the wider international community, whether that be Commonwealth nations, inside or outside Africa, to assist further? Britain is doing a most commendable job in attempting to protect British nationals, but there is a much wider task to be done. Does he also agree that there must be scope for the international community to address the politics of diamonds, because the diamond trade has left a scar on Africa over the decades and the centuries?

Mr. Cook: My hon. Friend makes two important points. If we are to contain the conflicts of Africa, it is important that Africa develops professionalism and competence in peacekeeping. I am pleased that Britain is playing an important role in this, given the number of military advisory training teams that we have in Africa, including a large one in Ghana, which I visited while calling upon President Rawlings. I am grateful to Ghana for its support in providing a centre for excellence in peacekeeping training.

I wholeheartedly agree with my hon. Friend about diamonds. It is a great tragedy that the conflicts in Sierra Leone, and also in the Congo and Angola, have been fuelled by the attempts of various armed groups to obtain control of the diamonds fields. It is extremely difficult to control the flow of diamonds from such African countries, which have large borders and difficult terrain. However, the trade in uncut diamonds is relatively modest and concentrated, and it should not be beyond the wit of the international community to find a better way of regulating it.

Mr. Simon Hughes (Southwark, North and Bermondsey): The Sierra Leonean community in this country will be grateful to the Foreign Secretary for his statement and for his welcome support for the United Nations. Does he envisage taking any action, perhaps in New York, to ensure that the UN is strengthened in whatever ways it needs to see through its mission? In the context of the Commonwealth, can he ensure that the guarantor powers are supported in trying to maintain the democratic regime, and that the Sankoh regime will be undermined and dealt with? Lastly, will he undertake that Sierra Leoneans who are his consular responsibility and are in the queue to come to the UK will be dealt with as quickly and humanely as possible, and that there is no repetition of occurrences in which people seeking properly to join family in the UK have had to leave Sierra Leone and go to other countries to wait in a long queue before they could be processed?

Mr. Cook: First, I am well aware of the hon. Gentleman's constituency interest. A large community of people from Sierra Leone is resident in Britain, and those people will closely watch what the Government do to assist in their home country.

In relation to the UN in New York, I have already approached Kofi Annan to discuss how we can help with the present operation. The immediate priority is to try to provide support and strengthening for the current operation to overcome the crisis. Questions may remain to be asked about the mandate and the terms of operation for the future, but the immediate priority must be to ensure that the operation has adequate strength.

I can assure the hon. Gentleman that we shall deal with all British nationals and passport holders without distinction or discrimination, and shall seek to ensure that they are all evacuated safely.

Mr. Bruce George (Walsall, South): I believe that most Members will applaud the Government's efforts in committing British forces. I congratulate my right hon. Friend on avoiding reciprocation of pathetic political point scoring. We ought to send out a message of consensus.

If a message is to be given to the butchers, the sending of the Royal Marines, the Parachute Regiment, HMS Ocean and an aircraft carrier with aircraft is a powerful one, and I hope that that will be appreciated. I shall enter into negotiations with the Secretary of State for Defence to invite him or the Minister of State to discuss deployment with the Select Committee on Defence.

Finally, illicit diamonds are normally associated with mercenaries. How high up the agenda is legislation or a White Paper on the exercise of a degree of control on that rather squalid, sordid industry?

Mr. Cook: I am grateful to my hon. Friend for the dignity of his contribution. He is right to remind us all that this is a grave matter on which we should respond as a nation, not as partisans.

We promised a Green Paper on mercenaries in response to the Select Committee's report on Sierra Leone last year, and work is well developed. I hope that we may take it forward. I agree with my hon. Friend on the importance of diamonds.

My hon. Friend made an observation about hearing from a Minister at the Ministry of Defence. I am sure that my right hon. Friend the Secretary of State for Defence heard that observation, and I should not dream of interfering in those negotiations.

Mr. Bowen Wells (Hertford and Stortford): In view of the fact that the neighbouring country of Liberia supports the RUF and Mr. Sankoh, what approach has the Foreign

[Mr. Bowen Wells]

Secretary made to the leadership in Liberia for assistance in trying to bring about the resumption of a peaceful solution to the problems facing Sierra Leone?

Secondly, on diamonds, how far has the Foreign Office gone in its analysis of the situation, and in the actions that it tried to take through the UN and commercial trading operations—notably in Brussels—to contain the traffic, which would enable us to undermine the finance of the appalling rebels?

Mr. Cook: I have expressed our view to Liberia on many occasions during the past year—including face to face with the Foreign Minister of Liberia. In fairness, the surface evidence of the past few days is that Liberia has actually been putting pressure on Foday Sankoh to halt the violence and not to return to conflict. The Liberians are also playing a part in trying to negotiate the release of the detainees. At present, we do not have a complaint about the conduct of the Government of Liberia, although we are well aware of the long history to which the hon. Gentleman alludes.

In relation to diamonds, the international debate sparked off a very welcome contribution by De Beers, which made a responsible statement and suggestions. At the United Nations, the Fowler report on Angola highlighted several measures that could be taken, some of which are perhaps rather more ambitious than international agreement might attain. However, within the G8 we are making good progress towards a statement at the forthcoming meeting of Foreign Ministers in July. I hope that there will be some product when we meet—but, of course, that depends on agreement among eight countries.

Dr. Norman A. Godman (Greenock and Inverclyde): I believe that the Government have acted rightly and properly in the grave circumstances described by my right hon. Friend. He mentioned his telephone conversation with Madeleine Albright and the American support. Has he made an approach to the French, or have they offered to give military support? Are the Russians and the Chinese being kept fully informed of developments in order to obtain their support within the UN?

Mr. Cook: We have held discussions in the UN Security Council, which, of course, involved all the permanent members. The Security Council issued a robust resolution condemning the actions of the RUF. I know that the council is constantly re-evaluating how it can support the mission in the field. Several British personnel are attached to the UN in relation to the planning and maintenance of that operation. We shall continue to use that and our role as a permanent member to keep the matter at the top of the UN's priorities.

We do not expect a military contribution from the French. They would reasonably expect us to be in the lead over Sierra Leone, just as we would expect them to be in the lead on an African country with which they had a historic connection. I briefed all the Ministers of the European Union when I met them at the weekend. I received strong support from them. We issued a statement condemning the actions of the RUF and supporting the UN mission.

Mr. John D. Taylor (Strangford): Obviously, the Unionists support the statement made by the Secretary of State. From that statement and from the lunch-time news, it is clear that the situation could rapidly decline. However, the right hon. Gentleman said that HMS Ocean and the support vessels could not reach the area for another week. How quickly could the spearhead battalion move from Dakar to Freetown international airport?

Mr. Cook: We anticipate that most of the battalion will be in place by tonight. The movement of the Army and the military assets that I described has been rapid, expeditious and impressively professional—a sentiment that I hope the House shares.

Mr. Crispin Blunt (Reigate): No one will envy the Foreign Secretary and the Government the difficult decisions that they will face during the coming days. However, what the House, the country and—above all—our armed forces are owed is clarity about the mission. As the Foreign Secretary told us that the RUF has broken its commitment to the Lomé accord, is it his view that the country has returned to a state of civil war? In effect, is the UN mission to implement the accord over? If the UN is to remain in the country, does it need a new mandate and a new mission? The whole question of the UN presence is one for grave consideration. The Foreign Secretary talked about logistics and giving vehicles to the UN force, but he made it explicit that there would be no combat troops. Does the Foreign Secretary understand my concern that we are on a slippery slope, with an unclear mandate for the UN? He said that the first duty of our armed forces was to protect British nationals, but then said that Britain would take a lead in restoring the peace process. Will he make it clear to the House that the armed forces currently being deployed to Sierra Leone will not be drawn into the civil war on the side of the Government?

Mr. Cook: I can certainly assure the House—as I have already done—that we have no intention of deploying combat troops as part of the UN mission. I remind the hon. Gentleman of the comments of the right hon. and learned Member for North-East Fife (Mr. Campbell). We are a permanent member of the Security Council. We cannot maintain that role and our leading role in the UN if we refuse to provide even logistic support to a UN force that is in the country and if we refuse to provide all possible bases on which that force can succeed—even though we may not be part of it.

I frankly disagree with the sentiments expressed on whether the United Nations mission should be withdrawn and on whether its mandate was over because it had failed. I cannot think of a better way to give comfort and encouragement to the RUF than to agree with those sentiments.

Mr. Gerald Howarth (Aldershot): With the Secretary of State for Defence at his side, will the Foreign Secretary take the opportunity to endorse the need for highly mobile rapid reaction forces such as we have deployed to Dakar? No unit is better suited to that purpose than the Parachute Regiment, which was deployed last June in Kosovo.

In response to the right hon. Member for Strangford (Mr. Taylor), the Foreign Secretary suggested that the spearhead battalion would move to Freetown, presumably with the intention of holding the international airport there. Are the Foreign Secretary and the Secretary of State

for Defence satisfied that we have sufficient troops for that purpose, should they meet resistance when they get there?

Mr. Cook: At present, Lungi airport is in the hands of the United Nations, so we do not anticipate resistance when we deploy there. Yes, we are confident that we have sufficient troops for the purpose for which they have been sent.

The hon. Gentleman is right to stress how this event underlines the importance of rapid reaction forces, and we attached priority to them in the recent strategic defence review. I had a chance to observe the Parachute Regiment in action in Pristina when I visited the town. It did an extremely professional job and maintained peace in the streets of Pristina. It is a tribute to the regiment that the local people greatly regretted its withdrawal.

Dr. Jenny Tonge (Richmond Park): Could the Foreign Secretary tell us a little more about security sector reform? He said that £70 million had been spent already in aid for security sector reform. What does he think that money has achieved over the past 12 months and can we have an assurance that aid to Sierra Leone will continue?

Mr. Cook: First, the £70 million—it is actually £69 million plus—was for all the aid and development assistance in Sierra Leone and not just for the security sector; it has been committed, but not necessarily all been spent. However, it is by far the largest national contribution to Sierra Leone and much of it is being used to fund the demobilisation and reintegration programme and to provide general economic assistance to build up the capacity of the Government of Sierra Leone.

Specifically, quite a significant sum is also going into the development of the training of an army for the Government of Sierra Leone. Considerable progress has been made, but we must remember that we are starting from almost zero and dealing with a Government who have faced serious rebel challenges on several occasions and who had absolutely no army left of their own. Against that background, we are making good progress and I believe that we were on target to meet our original aim of providing the Government with an army to replace the United Nations force when it withdrew.

Dr. Julian Lewis (New Forest, East): It is common ground on both sides of the House that a force should be sent to protect British citizens. However, how would the Foreign Secretary reconcile a medium or longer-term commitment in any wider capacity whatever with the admission made by the Secretary of State for Defence only a few weeks ago that British forces are already significantly overstretched?

Mr. Cook: There is no question of a long-term commitment by the troops that have been sent. On overstretch, the hon. Gentleman will be well aware that the issue exercises both the House and the Government. At the height of the Kosovo involvement, we had a 47 per cent. overstretch, but I am pleased to tell the House that that is now reduced to 27 per cent., which is exactly the degree of overstretch that we inherited from the previous Government.

Points of Order

5.19 pm

Mr. Mike Hancock (Portsmouth, South): On a point of order, Mr. Deputy Speaker. First, during Culture, Media and Sport questions, the hon. Member for Portsmouth, North (Mr. Rapson) mentioned me in his question to the Secretary of State. The hon. Gentleman attempted to be mischievous and to mislead the House, and he did not forewarn me that he was going to mention me. It was the second time in three weeks that he had done that, and I ask whether that was in order.

Secondly, I should like to take this opportunity to put the record straight. At no time have I talked down the interests of Portsmouth or—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I can deal with the first point, which is a point of order—the second point is a matter for debate, and I am sure that the hon. Gentleman will find his own way of putting it right. I endorse his feelings that we do better in this place when courtesies between right hon. and hon. Members are recognised. If one hon. Member refers to another, it is proper that he give notice.

Mr. Hancock: Further to that point of order, Mr. Deputy Speaker. I should like to inform you that, on this occasion, I gave the hon. Member for Portsmouth, North notice that I was going to raise the matter.

Mr. Deputy Speaker: I naturally assumed that.

Mr. Simon Hughes (Southwark, North and Bermondsey): On a point of order, Mr. Deputy Speaker. I should like to report to the House that, sadly, Mr. Stan Hurrell, who took over his father's business and served the House by providing our newspapers for 58 years, died on Friday night in St. Thomas's hospital. His family, who were with him, will continue the business. Many Members, including the Father of the House, have been in touch with the family, who maintained the newsagents outside the tube station and with whom the Serjeant at Arms, his predecessors and Members had many dealings.

I thought that the House would like to know that the family are very grateful for the huge support that they have been given by Members. Mr. Hurrell's death from cancer was long and painful, but the end came peacefully.

Mr. Deputy Speaker: I am grateful to the hon. Gentleman for bringing that sad event to the wider attention of hon. Members. As he said, many of us remember the long and dedicated service that Mr. Hurrell gave to this House and to individual Members. We were sad that he suffered so long from such a debilitating illness, which he bore very bravely. I am sure that all hon. Members would wish to extend their sympathy to Mr. Hurrell's widow and family at this sad time.

Orders of the Day

Regulation of Investigatory Powers Bill

As amended in the Standing Committee, considered.

New Clause 8

DELEGATION OF COMMISSIONERS' FUNCTIONS

'.—(1) Anything authorised or required by or under any enactment to be done by a relevant Commissioner may be done by any member of the staff of that Commissioner who is authorised for the purpose (whether generally or specifically) by that Commissioner.

(2) In this section "relevant Commissioner" means the Interception of Communications Commissioner, the Security Service Act Commissioner, the Intelligence Services Act Commissioner or any Surveillance Commissioner.'.—*[Jane Kennedy.]*

Brought up, and read the First time.

5.22 pm

The Parliamentary Secretary, Lord Chancellor's Department (Jane Kennedy): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: New clause 3—*Investigatory Powers Commission*—

'.—(1) There shall be a body of Commissioners named the Investigatory Powers Commission, consisting of the Investigatory Powers Commissioners.

(2) The Commissioner under section 8 of the Interception of Communications Act 1985, the Security Service Act Commissioner, the Intelligence Services Act Commissioner, the Chief Surveillance Commissioner and the ordinary Surveillance Commissioners shall each henceforth be known as Investigatory Powers Commissioners.

(3) The Secretary of State may by order provide for the discharge under the general direction of the Commission of any of the functions of one Commissioner by any Commissioners.

(4) The Secretary of State shall appoint one of the Commissioners to be chairman of the Commission.

(5) The Secretary of State may by order amend subsection (2) insofar as it regulates the number of Commissioners.

(6) Schedule (*Investigatory Powers Commission*) shall have effect with respect to the Commission.

(7) No order shall be made under this section unless a draft of it has been laid before Parliament and approved by a resolution of each House.'.

Government amendments Nos. 36 to 38, 68 to 83, 87 and 88.

New schedule 1—'INVESTIGATORY POWERS COMMISSION—

1. The Investigatory Powers Commission may appoint such officers and servants as they think fit, including investigating officers, subject to the approval of the Secretary of State as to numbers and as to remuneration and other terms and conditions of service.

2. Subject to the provisions of this Act, the Commission may make arrangements for the regulation of their business.

3. The arrangements may, with the approval of the Secretary of State provide for the discharge under the general direction of the Commission of any of the Commission's functions by any Commissioner.

4. Anything done by a Commissioner shall have the same effect as if done by the Commission.'.

Government amendments Nos. 55, 92 and 93.

Jane Kennedy: As I am speaking to the Government new clause and amendments, it might help if I explain their purpose and deal with issues that we debated in Committee and that were raised on Second Reading. I wish to make it clear that we have listened carefully to hon. Members' comments and have sought to address their concerns in our amendments.

As I said during the Standing Committee debate, we are sympathetic to the need to rationalise the system of commissioner oversight that we are introducing, wherever possible. However, we are not considering going as far as is suggested in the amendments tabled by the hon. Member for North-East Hertfordshire (Mr. Heald) and his colleagues, which would establish a single unified commission. In Committee, I outlined our thinking on the matter, pointing out that we believe that combining the various secretariats to the commissioners into a single body will achieve most of the benefits of amalgamating the commissioners' roles without sacrificing their distinctiveness.

There are strong arguments for retaining separately in statute the identity of some commissioners, who are experts in their respective fields, regularly visiting those agencies whose activities they oversee. Therefore, as I said in Committee, they are a more effective check than could be a body of commissioners whose responsibilities ranged widely across the spectrum of investigatory powers.

In Committee, I raised questions of accountability and security. Amalgamating commissioners' functions would risk obscuring the lines of accountability and compromising their expertise. The system proposed in the Bill is designed to ensure that the need-to-know principle is strictly observed and that details about particular individuals are shared to the minimum extent possible. Within a unified secretariat, members of staff would work for particular commissioners and this principle could be maintained. Amalgamating different commissioners' functions would make this considerably more difficult.

For those reasons, we tabled Government amendments Nos. 55 and 75, and new clause 8. Between them, those amendments would ensure that each of the commissioners was properly provided with staff who could act on their behalf, thereby facilitating the creation of a unified secretariat. In Committee, I referred to an audit team being sent out under the auspices of the interception of communications commissioner to examine communications data requests. The Government's intention is to create not only a unified secretariat but an investigative secretariat, along the lines suggested in the new schedule. Those staff would act entirely in accordance with a plan established by the commissioners.

The commissioners must be satisfied that the arrangements for oversight are such that they can genuinely report to the Prime Minister at the end of each year on the operation of the powers. That said, I see no reason why they personally need to visit police stations

up and down the land to check, for example, the process for recording authorisations for directed surveillance and the question of whether particular directed surveillance was authorised properly.

The surveillance commissioners established under the Police Act 1997 already have a secretariat. We intend that that secretariat, which is geographically split between London, Edinburgh and Belfast, should be augmented so that it provides for the interception commissioner, intelligence services commissioner and security service commissioner. That does not go as far as the single, unified commission proposed in the Opposition amendments; none the less, I hope that, after listening to my assurances, the Opposition will feel able to withdraw their amendments and accept instead the Government amendments. Our amendments do not go quite as far as the Opposition's in terms of what is on the face of the Bill, but they do go most of the way toward ensuring the consistency that the Opposition want.

I turn my attention to amendments Nos. 36 to 38. Clause 18 places a duty on persons involved in interception of communications to keep secret matters relating to that work and all aspects of interception warrants, and it introduces an offence of unauthorised disclosure. Clause 50 imposes a similar duty to keep secret the giving of certain decryption notices under part III, their contents and related matters. The Bill as it stands does not make express provision to allow disclosures to be made to any commissioner, including the interception commissioner. That is clearly a deficiency and the amendments will correct it, ensuring that even if internal safeguards were to fail, no one would be barred by the criminal law from bringing a matter to the attention of a commissioner.

The remaining amendments, Nos. 68 to 83, 87 to 88 and 92 to 93, deal with the covert investigations commissioner. In Standing Committee, I stated that there might be scope for amalgamating the role of the covert investigations commissioner—the only new commissioner created by the Bill—with that of the Office of the Surveillance Commissioners established by the Police Act. That is what the amendments are designed to achieve. Amalgamating those roles will facilitate consistency in oversight across those public authorities other than the intelligence services that carry out activities under part II.

I hope that those measures will reassure the House that we are doing all we can to ensure that oversight of the powers in the Bill is as seamless as possible, while respecting the properly different functions of the existing commissioners to whom the Bill refers. I believe that the amendments respond to the Opposition's criticisms regarding the Bill's over-bureaucratic tendencies.

Mr. Oliver Heald (North-East Hertfordshire): On Second Reading, my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) made the point that part IV is over-bureaucratic. She said:

> We already have a Security Service Act commissioner, an Intelligence Services Act commissioner, a chief surveillance commissioner and ordinary surveillance commissioners. None of those appears to have an independent investigatory team available to them.

In connection with the two additional commissioners referred to in the Bill and mentioned by the Parliamentary Secretary, Lord Chancellor's Department, my right hon. Friend said:

> I seems that the Government believe that commissioning should be a growth industry.—[*Official Report*, 6 March 2000; Vol. 345, c. 782.]

5.30 pm

We discussed that at length in Committee, and the way in which the debate unfolded was helpful. The Opposition pointed out that there would be at least one extra commissioner, that he would not have any staff and that the proposal was not in the best interests of regulation. The Opposition argued that the work should be streamlined and that the proposed commissioners should have real teeth—the ability to investigate. The Minister has tabled new clauses and amendments that meet many of our concerns.

By allowing members of staff authorised by the commissioner to undertake the work of the commissioner, by reducing the proposed number of commissioners by eliminating the covert investigations commissioner and giving his role to the chief surveillance commissioner, and by providing staff for the purpose of investigation to both commissioners, the Minister has met most of our concerns. The unified secretariat does not go as far as a unified commission, but it is a substantial step in the right direction.

The issue of disclosure to the commissioner was raised in Committee, although it was not a major issue between us. Nevertheless, I am glad to see the technical changes that are being made. The other points made by the Minister meet many of our concerns. In the light of her comments, I do not intend to pursue our new clause and new schedule.

Mr. Simon Hughes (Southwark, North and Bermondsey): I am glad to be present, although I feel slightly disadvantaged by the fact that, for very good reasons, my two colleagues who served on the Committee cannot attend. The expertise is therefore elsewhere.

Hon. Members from all parties who are members of the Intelligence and Security Committee would have wished to be present, so it is unfortunate that Report and Third Reading are taking place on a day when they are all away on Committee business, and that they could not be accommodated.

The Minister of State, Home Office (Mr. Charles Clarke): I am grateful to the hon. Gentleman for giving way. I am acutely aware of the fact that the Intelligence and Security Committee is in Washington this week. I met the right hon. Member for Bridgwater (Mr. King) to discuss that beforehand, and we did our best through the usual channels to reschedule the debate, but were unable to do so, despite the fact that it would have been better for the consideration of the Bill for all members of the Committee, particularly those who served on the Standing Committee, to be present. I acknowledge the points made by the hon. Gentleman, which we did our best to meet.

Mr. Hughes: I am grateful to the Minister. I intended no criticism of him or his colleagues. I know that my right hon. Friend the Member for Berwick-upon-Tweed

[Mr. Hughes]

(Mr. Beith), like hon. Members from other parties, would have liked to attend, and I know that efforts were made to facilitate that.

May I pass on to the House the apologies of my hon. Friend the Member for Sheffield, Hallam (Mr. Allan), who has particular technical expertise in the matters that we are discussing? I am told that the one south Yorkshire event of the year that he cannot miss is the cutlers feast, which is attended by 500 of the greatest and the best in the commercial world of south Yorkshire. *[Interruption.]* That is confirmed by the hon. Member for Mid-Worcestershire (Mr. Luff) from the Conservative Front Bench. As the guest speaker today is my right hon. Friend the Member for Ross, Skye and Inverness, West (Mr. Kennedy), my hon. Friend the Member for Hallam did not feel that he could be absent from the event.

I read and followed the debates in Committee. We welcome the simplification of the commissioner system. We support the amendments and new clauses and the thrust of those tabled by the Conservative party. We argued for, and are glad to see, the recognition of the need for a proper secretariat. That clearly was a lacuna. The system cannot be run without adequate back-up, as Ministers have recognised.

We argue that prior judicial authorisation is one of the best ways of ensuring that the right decisions are taken by commissioners and others. We shall come to amendments and new clauses that take us back to that debate. I appreciate that there is a disagreement between us, but we perceive that as the preferred way of encircling the procedures. I expect that the matter will be left to the other place, where others will want to pick it up. Even if our proposal is not accepted, a properly resourced secretariat that supports the commission's decisions is likely to achieve the best result.

I want to ask the Minister about the implications of new clause 8, which states:

> Anything authorised or required by or under any enactment to be done by a relevant Commissioner may be done by any member of the staff of that Commissioner who is authorised for the purpose (whether generally or specifically) . . .

That might be fine in principle, but we need to ensure that the senior and accountable person makes the decisions and that responsibility is not delegated too much or too far.

Our discussion is similar to the debate on whether the Home Secretary or the chief constable of a police force signs a warrant and is thus responsible. I should like some assurance from the Minister that the new clause does not hide an intention to delegate. The intention should be for the commissioners to make the decisions, especially when there will be fewer commissioners—rightly, in our view—and the number of those who can properly cover both tasks, which were originally separated, has been reduced by one.

I should also be grateful for illumination on how far and how often the Government envisage delegation taking place. Again, I am not asking for a conclusive answer, but am registering the importance of commissioners, who have been appointed because of their expertise, authority, public recognition and acceptance, and not people further down the chain of command, making decisions on the public's behalf about sensitive and delicate subjects.

Jane Kennedy: I am grateful for the thoughtfulness with which hon. Members have responded to the debate. Given the general support for our proposals, I shall not test hon. Members' patience by making a long speech. However, in response to the point of the hon. Member for Southwark, North and Bermondsey (Mr. Hughes), it is for the commissioners to determine the extent of delegation. As I said earlier, the commissioners have to report directly to the Prime Minister. They must be satisfied that their reports are full, accurate and thoroughly investigated and that they are able to stand by them. It is therefore proper for them to decide the extent of the delegation. I expect it to be to the level in the secretariat that is appropriate to the investigation. I hope that that provides the reassurance that the hon. Gentleman seeks.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 1

OFFENCES

'.—(1) A person is guilty of an offence if—

(a) with intent to impede access to protected information or the putting of that information into an intelligible form, he fails to comply, in accordance with any section 46 notice, with a requirement of that notice to disclose a key to protected information; and

(b) he is a person who has possession of the key.

(2) A person is guilty of an offence if—

(a) he fails to comply, in accordance with any section 46 notice, with a requirement of that notice to disclose a key to protected information;

(b) he is a person who has had possession of the key, but that key was not in his possession after the giving of the notice and before the time by which he was required to disclose it; and

(c) with intent to impede access to protected information or the putting of that information into an intelligible form, that he did not, before that time, make a disclosure, to the person to whom he was required to disclose the key, of all such information in his possession as was required by that person to enable possession of the key to be obtained.

(3) In proceedings against any person for an offence under this section it shall be a defence (subject to subsection (4)) for that person to show—

(a) that it was not reasonably practicable for him to make a disclosure of the key before the time by which he was required to do so;

(b) where the key was not in his possession at that time, that it was not reasonably practicable for him, before that time, to make such a disclosure as is mentioned in subsection (2)(c); and

(c) that as soon after that time as it was reasonably practicable for him to make a disclosure of the key or (if earlier) of sufficient information to enable possession of the key to be obtained, he made such a disclosure to the person to whom he was required to disclose the key.

(4) Except in a case where there is no authorisation for the purposes of section 47, in proceedings for an offence under this section a person shall have a defence under subsection (3) only if he also shows that it was not reasonably practicable for him to comply with the requirement in the manner allowed by that section.

(5) In proceedings against any person for an offence under this section it shall be a defence for that person to show that—

(a) at all material times he used due diligence to store the key which he had or had had in his possession; and

(b) that were the key was not in his possession after the giving of the notice and before the time by which he was required to disclose it, that he did before that time, make a disclosure to the person to whom he was required to disclose the key, of all such information to his possession as was required by that person to enable possession of the key to be obtained.

(6) Where a person is being proceeded against for an offence under this section, then at any stage of the proceedings, if evidence has been given of his having failed to comply with any requirement of a section 46 notice to disclose a key to protected information, the following evidence shall be admissible for the purpose of proving that he had an intention to impede access to protected information or the putting of that information into an intelligible form—

(a) evidence that he has or has had in his possession other information of value on grounds falling within section 46(3) or likely to be of value for purposes connected with the exercise or performance by any public authority of any statutory power or statutory duty; and

(b) provided that seven days notice in writing has been given to him of the intention to prove the conviction, evidence that he has within the [five] years preceding the date of the offence charged been convicted of any offence carrying a maximum sentence on conviction on indictment of five years imprisonment or more.

(7) A person guilty of an offence under this section shall be liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding ten years or to a fine, or to both;

(b) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum, or to both.'.—*[Mr. Heald.]*

Brought up, and read the First time.

Mr. Heald: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: New clause 7—*Failure to comply with a notice to disclose a key to protected information*—

'(1) A person is guilty of an offence if—

(a) with intent to impede access to protected information or the putting of that information into an intelligible form, he fails to comply in accordance with a section 46 notice with a requirement of that notice to disclose a key to protected information;

(b) there are reasonable grounds for believing that possession of the key is necessary to obtain access to the protected information or the putting of that information into an intelligible form; and

(c) he is a person who has, or who after the giving of the notice and before the time by which he was required to disclose the key, had possession of the key.

(2) A person is guilty of an offence if—

(a) he fails to comply in accordance with a section 46 notice with a requirement of that notice to disclose a key to protected information;

(b) there are reasonable grounds for believing that possession of the key is necessary to obtain access to the protected information or the putting of that information into an intelligible form;

(c) he a person—

(i) who has had possession of the key; and

(ii) who has, or who after the giving of the notice and before the time by which he was required to disclose the key had, possession of information which would (either on its own or in combination with other information) enable possession of the key to be obtained; and

(d) with intent to impede access to protected information or the putting of that information into an intelligible form, he did not before the time by which he was required to disclose the key, make a disclosure to the person to whom he was required to disclose the key of all such information in his possession which would (either on its own or in combination with other information) enable possession of the key to be obtained.

(3) In proceedings against any person for an offence under this section it shall be a defence for that person to show—

(a) in the case of an offence under subsection (1), that it was not reasonably practicable for him to make a disclosure of the key before the time by which he was required to do so;

(b) in the case of an offence under subsection (2), that it was not reasonably practicable for him, before the time by which he was required to disclose the key, to make such a disclosure as is mentioned in subsection 2(d); and

(c) where in either case it has since that time become reasonably practicable for him to make a disclosure of the key or of information which would (either on its own or in combination with other information) enable possession of the key to be obtained, he has made such a disclosure to the person to whom he was required to disclose the key.

(4) Except in a case where there is no authorisation for the purposes of section 47, in proceedings for an offence under this section a person shall have a defence under subsection (3) only if he also shows that it was not reasonably practicable for him to comply with the requirement in the manner allowed by that section.

(5) A person guilty of an offence under this section shall be liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both;

(b) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum, or to both.'.

Government amendments Nos. 39 and 67.

Amendment No. 18, in page 51, line 10, leave out Clause 49.

Amendment No. 20, in clause 51, page 53, line 42, at end add—

'(aa) that a key disclosed in pursuance of a section 46 notice is stored safely and kept safe at all times;'.

Government amendments Nos. 89 and 90.

Mr. Heald: This group of new clauses and amendments is at the heart of the Opposition's anxieties about the Bill. New clause 1 is an attempt to deal with the controversy about clause 49 that has raged since the first consultations on it.

Clause 49 makes it an offence punishable by two years' imprisonment to fail to comply with a notice that requires the production of a key to coded information—an encryption key. The criticisms are made from two perspectives, which are different but none the less valid, in the Opposition's view.

The first criticism involves the punishment for failing to provide a decryption key. I pause to mention that the Minister has said that a key will be required only in cases in which the most suspicion arises and the Government

[Mr. Heald]

are least satisfied with the bona fides of the person from whom the key is sought, and that plain text will be adequate in other cases. Requests for keys will be made of those who are suspected of money laundering, paedophilia or drug trafficking. They are the sort of people who would be prepared to accept the lesser offence and take the two-year sentence rather than give up their secrets and make available information that could lead, after further investigation, to their prosecution for the most serious offences, carrying sentences of imprisonment for life or a long determinate period. That point was made by my hon. Friend the Member for Mole Valley (Sir P. Beresford) on Second Reading and several times in Committee, but the Government are not prepared to tackle it.

The first criticism is that to ask for a key but not to be given one would be of no use to the Government, but the serious criminals whom they want to target would be all too prepared to contest the lesser offence in the hope that they might be acquitted. They will think two years much better than 10. Through the new clause, we have attempted to tackle the problem of the inadequate sentence. The second criticism, which is entirely different, is that the defendant will be required to prove his innocence and explain why he was unable to provide the key. The burden will be entirely on him to prove his innocence if it is shown that he failed to comply with the notice.

Apart from the criticism that that may breach the European convention on human rights, it is repugnant at law to require someone to prove his innocence. It goes against the golden thread that runs through English justice. Neither we nor those who are concerned about the matter have taken that lightly. Justice and the Foundation for Information Policy Research asked a leading barrister to consider the issue and produce advice on which we could deliberate in Committee. Tim Eicke has done that.

In Committee, I asked whether it would be possible for a Law Officer to address such issues so that we could have a detailed legal exposition of how the Government justify the offence. That did not happen; I chided the Minister, but he said he was certain that the offence was perfectly normal, and that it was not a matter of huge concern that an innocent person would be required to prove his innocence. However, it is worth considering what Tim Eicke and others have said. In his advice, he describes the offence as "repugnant".

We all know the careful way in which lawyers phrase things. In fact, the Minister criticised it in Committee, and told us that he hated lawyers. A barrister may say that something is doubtful or difficult, or that there are legal difficulties, but the use of the word "repugnant" shows that the problem is pretty serious. Tim Eicke describes the offence as repugnant because no guilty intention is required as a ground for a conviction. He says that in most offences, the prosecution has to prove not only that particular events occurred, but that someone had a guilty intention. For example, for theft, one has to be dishonest; for murder, one has at least to intend to cause grievous bodily harm. However, in this offence, if it is shown that someone did not comply with the notice served on him, the duty is on him to prove that he lost or forgot the key, or that there is some other innocent explanation.

5.45 pm

In his advice, Tim Eicke points out:

> A defendant who chooses not to give or call evidence may be convicted without any mens rea—

any mental element—

> of the offence being proved against him.

He refers to the views expressed in 1999 by the Lord Chief Justice in ex parte Kebeline, which was a case dealt with in the divisional court, and to the Canadian case of Whyte, which has a persuasive authority. He also quotes the words of Chief Justice Dickson. The Minister will remember these words; they are important:

> If an accused is required to prove some fact on the balance of probabilities to avoid conviction, the provision violates the presumption of innocence because it permits a conviction in spite of a reasonable doubt in the mind of the trier of fact as to the guilt of the accused.

He points out a number of other infringements of, and difficulties with, the European convention on human rights.

The Opposition are not satisfied that an offence that a leading human rights barrister describes as repugnant should go on the statute book without the Minister having met the challenge of the ideas that have been presented to him and explained why it is right in this case that a man can be found guilty when he has no guilty intention. Why should someone have the burden of proving his innocence?

It is important to note that it is not only the main Opposition party that has made that point. The Liberal Democrats have also made it, and their new clause 7 tries to import into the Bill the concept that there should be a guilty mind, and an intention, before a person can be found guilty. Although they do not go as far as we do, like us they include the intention to impede access to justice or to prevent the information from being put into an intelligible form.

The Minister should explain how this provision conforms with the European convention on human rights. A man should be innocent until proven guilty. How does the Minister deal with that argument?

New clause 1 deals with the issues that I have described. It would increase the penalty for this offence to 10 years, which the Liberal Democrat new clause would not. It would also allow evidence of previous convictions or of other material found at the scene of a police investigation to be used to prove guilty knowledge. That is not unprecedented; it has been done before in other areas of law. If the police or other authorities go to a house and during their investigations they find, for example, a computer that has paedophiliac images of children, that evidence should be allowed to be used to point to the vast mass of encrypted material on the computer and the fact that when the accused was asked to produce the key to the information he refused to do so. The court could draw an inference of guilty knowledge.

With new clause 1, we are trying to target the offence more on serious criminals, while respecting human rights and the right of an individual to the type of fair trial that we have had in this country for hundreds of years. We hope that the Minister's response will be fuller on this issue here than it was in Committee.

Amendment No. 20 deals with what happens to a key once it has been disclosed. It would require a key disclosed in pursuance of a section 46 notice to be stored

safely and kept safe at all times. That relates to a separate concern of the industry. Encryption was not invented to help the criminal. It was invented because commercial enterprises wanted to be able to keep commercial transactions secret. Banks and financial institutions—some of the most important commercial enterprises in the country—rely on encryption to do their business.

One of the fears that those organisations have expressed to me, along with others—including all Opposition parties—is that if keys are not to be kept safe, or if the arrangements are not entirely satisfactory, there will be a fracturing of trust in the whole process of encryption. That could have a dramatic effect on business confidence in a new technology and a new industry—something that members of all parties profess to support, but that the Government endanger by failing to deal with the position fully. Both EURIM—the European Informatics Market—and the Foundation for Information Policy Research have made that point, and I look forward to what the Minister has to say about it.

In Committee, we said that the notices that the Bill requires to be served on companies and individuals should be obviously recognisable and verifiable, so that con merchants and others could not use the procedures while pretending to be the authorities. Under amendment No. 39, a notice under clause 46 will have to include the grounds for that notice, the office, rank or position of the notice giver, whether a plain text is sufficient, the time by which the notice must be complied with, and the manner of compliance. Both we and the Liberal Democrats suggested such measures in Committee, and we therefore welcome the amendment; but it does not go as far as we would have liked.

We wanted a system enabling all notices served under the Bill to be instantly recognisable, and to contain security information that could be checked through the use of ultra-violet light or other security methods. We wanted the establishment of a clear verification point where the industry could go to find out whether a notice was valid. Although reassurances have been given, it would be helpful if the Minister repeated them, and told us what point the deliberations have reached.

Government amendment No. 67 is also important, because it provides that the key will be required only in special circumstances. The Minister agreed to that in Committee. As I have said, that means that those who are asked for the key are far more likely to be those who are under suspicion, because plain text will be more readily satisfactory from those who are not under suspicion. However, I should be grateful if the Minister would explain a little more fully what he means by special circumstances. Has he a definition in mind, or is it important to use that term in order to provide a certain amount of flexibility?

Government amendments Nos. 89 and 90 exclude directors from liability under part III. They, too, meet concern expressed by Opposition Members in Committee, and show that on that occasion, the Minister was listening—but if he is prepared to listen in respect of little things, is it not time that he listened in respect of new clause 1?

Mr. Simon Hughes: Progress has been made since the Committee stage. The tenor of my remarks will reflect the tenor of what was said by the hon. Member for North-East Hertfordshire (Mr. Heald): in Committee, he and his colleagues argued from much the same perspective as my colleagues, and I do not think it is any secret that in large measure they were advised by the same people—people with the same expertise and the same concerns.

The Liberal Democrats believe that new clause 1 is a move in the right direction, but, because it differs from our new clause 7 in certain particulars touched on by the hon. Member for North-East Hertfordshire, we naturally commend new clause 7 rather than new clause 1. I shall say more about that later. We consider Government amendments Nos. 39 and 67 to be improvements: I shall say more about those later as well. Amendment No. 18, tabled by Liberal Democrats and Conservatives, would delete the current offences provision—clause 49—because we feel that the clause gets the balance wrong. We support Conservative amendment No. 20, because it is geared to give additional protection. We hope that the Government's response will be positive. Government amendments Nos. 89 and 90 themselves constitute a positive response to concerns expressed in Committee, and we welcome them.

We consider all four Government amendments to be improvements, and feel that the additional single protection mechanism proposed by the Conservatives in amendment No. 20 should commend itself to the Government. However, we agree with the hon. Member for North-East Hertfordshire that the Government have still not dealt with the major concerns—concerns that are felt not just by buffs and hacks who live entirely in the world of information technology for reasons of work or interest, but by others who use e-commerce, e-mail and the rest.

Like other hon. Members, I have received representations not just from organisations but from individual constituents, who have expressed anxiety about potential criminal liability on the basis of their inability to disprove a negative. As the Minister knows, we have been over that ground recently. As I made clear on Second Reading and as my party has made clear throughout, we differ with the Conservatives on this part of the Bill, although not to a great extent. We agree with the Government that a Bill is needed to make this area of activity comply with the European convention on human rights. Because of the development of technology, certain activities take place that have not yet been brought under the umbrella of the convention, and it is important for us to have legislation for that purpose before 2 October this year, when the convention will become law in England and Wales, Scotland and Northern Ireland.

We think it desirable to have a Bill, even one with flaws. The paradox is that, if the hon. Member for North-East Hertfordshire and I are right, there may well be an immediate failure to comply with the convention. It is, I think, no secret—indeed, it is an obvious, self-evident truth to me—that before long someone will test the Act's compatibility with the convention. It may not be some big corporate enterprise; it may be an individual who, having been served with a notice, finds that he cannot reasonably comply and is therefore liable to be punished as a criminal for failing to prove that he does not have information, has lost his password, cannot remember the code or cannot assist in decryption. That may happen regardless of innocence or guilt in relation to the substantive material; indeed, no offence may have been committed.

[Mr. Simon Hughes]

The hon. Member for North-East Hertfordshire cited pornographic material that might be used for purposes of paedophilia, an example that I gather was given often in Committee. The concern is understandable, but nothing of that nature might be involved. The person in question might have been falsely accused of having possessed material and subsequently got rid of it; he would then be served with a notice and, under the law as drafted, would be unable to get himself out of that hole. That is an important criminal line to cross.

6 pm

Let me again make the point that I made in Committee and elsewhere; I made it to the Minister during our consideration of the Terrorism Bill, on which we had a similar debate. The Government are duty bound—I accept that they do it in the proper manner—to certify in the Bill that they are European convention-compliant. They have done it in this Bill as they have elsewhere. They take advice. Clearly, they must act on that advice because, if they do not, they will be in default and, if taken to court and so on, they may be in difficulty.

There is a constitutional failure in the system, however. I understand that, if the Government seek legal advice and that advice says, "Don't do it. You would be acting illegally," they will pray in aid the exemption from the freedom of information legislation, saying, "This is not a matter of fact or statistics; it is not even an evaluation of facts or statistics. It is advice to Ministers, so we don't want to disclose it," but I have never understood why the Government are so reluctant to disclose the advice, which, by definition, they must claim supports their case.

If the Government—as they must have done and as they say they have done—have gone to those who advise them, whether in government or outside, and have said, "This is ECHR compliant," there may be a difference of view. The advice that the hon. Member for North–East Hertfordshire and I have seen and the advice commissioned from elsewhere could at least be intelligently pitted against and put into a discussion with that other advice.

The problem is that, when we proceed in that way, with the Government being so secretive, the lay people, in a sense—because even those of us here who are qualified as lawyers are lay people—argue on the basis of advice given without expert guidance. That is exactly why the Special Standing Committee procedure is often useful: people can look at the implications and give their own legal advice.

Government—not necessarily only the present Government—do Parliament a disservice when they pray in aid advice that supports them while letting no one see it so that their argument cannot be tested by cross-examination and questioning.

Mr. Heald: Does the hon. Gentleman share my concern? The Attorney-General has said—I quoted the details in Committee—that the proper occasion for a justification of the issue of compatibility is a debate in the House. If Ministers are not prepared to go beyond the bald statement in the Bill and into the real detail, and to give a full legal explanation of why they say it is compatible with the ECHR, that makes nonsense of the Attorney-General's comment.

Mr. Hughes: I agree. Like the hon. Gentleman, I am conscious of the two concerns; it is not new ground for those who served on the Committee or, indeed, who were here for the Second Reading debate. One is for the individual civil liberty of the individual citizen against the state that is seeking to interfere with his or her activities. The other is that business could potentially be harmed. Business will think, when deciding where to carry out its activity, that the regime in Britain will be less helpful and more dangerous and threatening to it than a regime elsewhere, so it will say, "Thank you very much, but we will take our business elsewhere."

There are those two concerns—not always, as it were, coming together on the same side. The problem as I see it—I come to it, as I have said, as a lay person—is that some people, to try to avoid being caught, will be pushed into taking measures that do not help the normal activity of the business. If the United Kingdom is much more draconian in that area than many other countries, and I understand that it is, that cannot be helpful for our position.

Again in passing, may I say that that is exactly the sort of area where the logical thing to do would be to have provisions that are as similar as possible to those in other countries—at least those throughout the European Union—so that we are not commercially disadvantaged in relation to countries with codes of rights, Bills of Rights or constitutions, such as those in Scandinavia or elsewhere.

Again, we had a similar debate when we considered the Terrorism Bill. The Minister says that what is being referred to is not a reverse burden of proof but a statutory defence. I understand that argument. In the case of the Regulation of Investigatory Powers Bill, the statutory defence will not be rarely used, as it will be in the case of the Terrorism Bill, under which on the widest definition it is likely to be pretty exceptional for someone to pray in aid that defence. In this case, it could apply at any time to any Tom, Dick or Harry, or to his female equivalent—big player or small player. Showing that he has legitimately forgotten something is much more likely to be difficult for the individual citizen than for the corporate enterprise.

My advice is that the power will be ineffective and that the real criminal will find ways round it. The Government are building in a great power and getting the balance wrong between the state and the individual, but they will not catch the real villains they want to catch because those people will be clever enough to work out ways to escape. They are the people who will refuse to give the keys, and who may escape.

I understand that that is the reason why the hon. Member for North-East Hertfordshire seeks to make the penalty bigger. He wants to make less aggressive the provision of the state, but he none the less wants to ensure that people who are caught are penalised. I understand that, although I disagree with it, as he knows. We think that that is far too great a penalty for what may be—although the courts will have discretion in the matter—a pretty minimal offence.

The key difference between the hon. Gentleman and us, which is why we cannot support new clause 1—we will not support it if it is voted on—is the ability to pray in

aid previous offences which may have nothing to do with a particular activity. I find that a worrying addition, which I do not understand. The hon. Gentleman would have been more likely to receive more widespread support if he had not included that in the new clause. I do not think that it adds to it at all.

Let me make one last general point. Those who know about these technical matters argue that, rather than having a heavy offence provision and draconian powers whereby the state and the prosecution authorities can effectively seek information from people who, if they cannot satisfy them, are liable to be found guilty, it would have been better to have facilitated the better technical use of the means of getting information—what I understand in the jargon is called forensic hacking, a concept which I understand and which might afford us a better approach. Those who are interested in and who know about these things argue that the current approach may be wrong. We can always concoct criminal procedures, structures and balances between the state and individual, but we might also have gone down that road.

I am conscious that the Data Protection Commissioner has expressed concerns about those things. Those have not changed, I understand, since they were expressed before the Bill went into Committee. I remind the Minister of that.

Government amendment No. 39 is a response to the amendment that was moved in Committee by my hon. Friend the Member for Sheffield, Hallam (Mr. Allan), which specifically sought to address the issue. We are grateful that the Government have responded to that and effectively given the exact response that we sought in Committee.

The same applies to Government amendment No. 67, applying to the additional test, which should be about the disclosure of data, not about the disclosure of keys. When the matter is looked at simply, it seems that it is far better to ask people to provide the data; only if the data are not or cannot be provided should we seek to get the key. Many people will find it much easier to provide just the hard copy, to put it crudely—to provide the print-off. The commercial world will be much more comfortable if it is asked to provide the data, rather than the key.

As I said, the Liberal Democrats support amendment No. 20. Although the amendment is simplistic in some ways, it is valid. Keys must be looked after properly, and, in theory, they will be. We have to ensure, however, that a delegated person—who may be third down in the chain of command—is not given responsibility for key security if he or she cannot do the job properly. The issue generally is important, but, commercially, it is potentially very important. We really have to ensure that, once keys are recovered by the authorities, they are properly looked after.

Government amendments Nos. 89 and 90 deal with company directors' liability—the key escrow by intimidation provisions—and address issues raised by my colleagues in Committee. We not only welcome but are grateful for those amendments.

Our new clause 7 seeks to address the keys issue. We still think—there is common ground among Opposition Members on this—that the prosecution should have to show intent to impede. We also still think that, using the usual test of beyond reasonable doubt, mens rea—guilty mind—should have to be demonstrated. It must be demonstrated that the defendant acted not neutrally but intentionally in dealing with an inquiry.

Our new clause would require:

reasonable grounds for believing that possession of the key is necessary to obtain access to the protected information or—

for—

the putting of that information into an intelligible form.

We also believe that it is right—it seems to be self-evidently right—to insist that the defendant must have had the key after the notice was issued, as opposed to having had it at some time in the past. The Government are still arguing that both tests—that one has or that at some stage one had the key—should render one guilty. We think that failure to distinguish between the two cases would make the provision dangerously wide. Like Conservative Members, we argue that the provision needs to be narrowed.

Liberal Democrats believe that a defence should be available to defendants who provide the key or information after the notice's initial date requirement if it has been become reasonably practicable to provide it. We also argue that the offence should be split into two parts, to cover cases in which a person does not have the key, but could get it. Although such a provision may sound technical, people should know the charge they face and the procedure they should follow.

The danger of Conservative Members' new clause 1 is that, in the interests of advancing human rights in one sector—to protect people against, as I said on Second Reading, the overmighty powers of the state—we shall be removing defendants' usual human right not to reveal previous convictions. I argue that such a trade-off would be an excessive loss of human rights.

In Committee and elsewhere, the Minister has been very definite in saying that there would be no concessions on the issues addressed in this group of amendments. We are grateful, however, to note that Ministers have made a little movement around the edges of the central provision. Nevertheless, I should be troubled if Ministers were still unwilling to move on the main issue.

If the Government do not move on the main issue, if we cannot dislodge them in a Division on this group of new clauses and amendments and if Labour Back Benchers are not willing to acknowledge the civil liberties and balance of defence points, I am fairly confident that this is precisely the type of issue on which the paradox of this Parliament allows us to rely on the other place to make the case for civil liberties and for defendants and to reduce the state's power. If that happens and the other place amends part III, particularly clauses 46 to 49, I hope that the Government will think again and not seek to reinsert in the Bill that which we believe should not have been in it initially. Although we welcome the Government's movement on the issue, the key movement has not yet occurred. We hope that we can persuade them to make it.

Ms Margaret Moran (Luton, South): I really do want to make a very brief point on the length of sentences proposed in new clause 1. I do not wholly agree with the new clause's general content, but simply ask for a review of the penalties proposed for the offence. I do so based on concerns expressed by various children's charities—

[Ms Margaret Moran]

primarily the National Society for the Prevention of Cruelty to Children, Barnardos and NCH Action for Children—with which I have recently discussed the issue.

6.15 pm

Quite apart from the Bill's technical, legal and civil rights aspects, we have to consider the way in which some of the Bill's provisions are being regarded by some of those who—far from being techies—are very much in the real world and at the receiving end of the issues. We have to acknowledge that there is a rising tide of concern, particularly among parents, about internet safety for children.

Only a week or so ago, in Milton Keynes, not far from my own constituency, there was a case in which a 13-year-old girl turned up to meet someone whom she met in an internet chat room and believed was a 15-year-old boy, only to discover that he was a 47-year-old man who had travelled from Newcastle specifically to meet her. I am sure that the case alarmed every parent who heard about it, and that those parents immediately began looking more closely at their children's internet activities.

Additionally, as we know, the internet contains websites showing pornographic, violent or racist material. Just last week, in my constituency, there was a case involving a website used by prisoners in the United States to display very disgusting material. They are also using internet chat sites that could be accessed by children. Most of the material is grossly offensive and highly unsuitable for children. We also know that e-mail is being abused by paedophiles seeking to make contact with children and for many other offensive activities.

The concern is that the advent of strong encryption technologies gives criminals the opportunity to hide their criminal activities or to conceal other evidence. If a paedophile has on his computer files e-mail messages, pictures or other material that discloses a serious sexual offence against a child—an offence for which he knows he could face a prison term of 10 years or more—he could encrypt the lot and, if investigated by police, simply refuse to hand over the key to decrypt the files, thus making unavailable evidence of a serious offence.

The other concern is that, in the Bill, the maximum penalty provided for defendants who refuse to hand over a key would be two years and a fine. With time-off for good behaviour, such a person might spend only a few weeks in prison. Subsequently, they might even be able to apply for and gain employment with children, in a school or residential centre. We should also remember that—because encryption technology has allowed the person very effectively to cover his tracks—there will be nothing on record showing that the person has a history of sexual offences.

Such a possibility raises issues about the Bill's relationship to protection of children legislation. Having worked on the Protection of Children Act 1999, I think that we have to ensure that such people are effectively registered, and that the protections offered by the 1999 Act apply also in internet cases, as if the evidence were in writing.

The Bill makes major improvements on the current situation, which would not allow for prosecution in such cases. Nevertheless, the situation will still not be satisfactory. We need seriously to review the penalties provided in this part of the Bill. I hope that the Minister will listen to the message from children's charities. The issue does raise complex civil liberties issues, and there are no ready-made answers, but, when children's charities tell us that there is great and growing unease, we have seriously to examine how the Bill will impact on the protection of children.

Mr. Simon Hughes: I completely understand the argument that the hon. Lady is presenting, but does she, and do those in the children's charity world to whom she has talked, accept that the paradox and the danger are that one might be able to catch the relatively minor offender but that we need to think more widely if we are to get the real villains—the big-time criminals and serial offenders whose activities we want to stop—because they are the most likely to escape the system?

Ms Moran: Indeed, the issue is more complex than one of sentences alone. As the hon. Gentleman said earlier, we may need to consider other measures to provide the widest possible safeguards.

It is outside the remit of the Bill, but there is a need for a review of how technology interacts with child protection and sexual offences legislation so that we can provide the widest possible protection not only for our children, but for those who may be vulnerable to people who seek to abuse the new technologies in ways that we may not have anticipated.

Mr. Ian Taylor (Esher and Walton): I shall be brief, because many of the points that I wanted to make have already been made by my hon. Friends and by the hon. Member for Southwark, North and Bermondsey (Mr. Hughes).

I am not a lawyer. I have some technology interests, which are fully disclosed. I listened carefully to the hon. Member for Luton, South (Ms Moran), who told us of some valid concerns that have been expressed by children's charities. Industry is also concerned, for different reasons, so there are pressures on the Minister from many different directions. I am on record as saying that we should have a Bill to deal with these matters, and I think that he made valiant efforts in Committee to listen to the concerns expressed by Opposition Members. The Bill is slowly improving but, as the new clauses and amendments show, we are not absolutely certain about it.

Regardless of whether my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) wants to press the matter to a vote, it is important that the relevant considerations are taken into account in another place. If, for example, there is still a fear that the European convention on human rights will be breached, the Bill will run into real problems, even though the Government's objectives in introducing it are very important.

Industry has concerns about individuals and companies being pressured to disclose a key that may not be in their possession, because the burden of proof seems to be the wrong way round. The Minister must bear that in mind constantly and act appropriately before the Bill is enacted.

Among the expressions of concern is a letter from Vodafone dated 6 April. It says that the provisions are

not practicable; the key could be lost or no longer used, etc. Industry may have no choice but to place their keys with secure third parties and thus it seems to be a way of reintroducing key escrow.

I was the Minister who dealt with such matters and proposed key escrow, and I am sensitive to the fact that industry still has concerns about its coming in through the back door.

Industry is also concerned about security following disclosure of the key. The letter from Vodafone says:

> In our opinion, disclosure of the key in the first instance would make most industries feel their security has been compromised and this has implications for e-commerce, an environment where consumers require complete confidence in the security of service providers.

That is the conundrum in the Bill: encryption is vital to encourage confidence in e-commerce, but the wrong sort of disclosure could undermine that confidence. If the person who had served the warrant mishandled the key or the information, there could be considerable problems.

I know that the Government understand the concerns and are trying to respond to them, but the problem, as information supplied to EURIM—the European informatics market group—confirms, is that companies are beginning to move their offices offshore to escape the implications of the Bill. We are told that

> global processing and communications operations that used to be based in the UK (including petro-chemicals, pharmaceuticals etc as well as the City)

appear not to be waiting around to find out whether there is a benign interpretation of the Bill by the courts, but to be moving offshore now. That must be a cause for concern.

One of the problems concerns the validity of those who are authorised to issue a warrant and how that validity is checked. All those matters were raised in Committee and I know that the Government are doing their very best to meet our concerns, but they have not yet gone far enough. Big issues are at stake, and I underline what my hon. Friend the Member for North-East Hertfordshire said.

Mr. David Maclean (Penrith and The Border): There is a straightforward point to be made here: clause 49 as drafted is unjust and wrong. An innocent person unconnected with paedophilia, terrorism, drug dealing or crime of any kind, simply because information is required of him—he may have been sent an e-mail encrypted by mistake—and because, with the best will in the world, he cannot provide the encryption key, can be liable to a prison sentence of two years. He may have had no intention to commit a crime, but he can go to prison for two years. That is unjust and fundamentally wrong.

The clause is wrong for another reason. Serious criminals such as paedophiles, drug dealers and terrorists—those whom the security services, the National Criminal Intelligence Service, Customs and Excise and others should be, and are, pursuing ruthlessly—can simply refuse to hand over the key to encrypted material, because it is by far the best option for them to be found guilty of an offence under clause 49, which attracts a maximum sentence of two years, which becomes even less with good behaviour. They will know that handing over the key and allowing the authorities to see the paedophile material or information on terrorist activity or drug dealing would land them with a much heavier sentence and put them in prison for perhaps 10 years.

It is almost as iniquitous that serious criminals will get only a two-year sentence as it is that an innocent person who has forgotten the key should get the same sentence. That is why I support new clause 1. It may not be perfect—neither is a lot of the Government's legislation, as every parliamentary draftsman in the northern hemisphere is being roped in to draft it—but its intention is correct. It restores the fundamental safeguard that there must be mens rea. That is how I read the suggested provision embodied in the words

> with intent to impede access to information or the putting of that information into an intelligible form ...

It is vital to include the intention of the person in the Bill, because it will remove the injustice that exists in clause 49. If the Government are willing to accept new clause 1 in principle—I hope that they are and that they will go away and redraft the provision before the Bill reaches the other place—they will make a double improvement to the Bill. They will remove the injustice of innocent people facing a two-year sentence because they cannot provide the key or the information when requested.

6.30 pm

My dementia is no more advanced than that of many other hon. Members, but I have several passwords by now. I must have about 20 hotmail accounts, not for any security reasons, but because I cannot remember the supposedly infallible password for the account I created last weekend. I always pick a password that I am bound to remember, but I always forget it. When I was on the parliamentary system, I was always having to call the Communications Directorate—I see the Parliamentary Secretary nodding—to admit that I could not remember my password and could not get into the system. The directorate tells me that about 90 per cent. of the calls to its hotline are from Members of Parliament or their secretaries and staff who cannot remember their password. That may be a lighthearted point, but what would happen if we had encrypted material?

What will happen to all those innocent business men and women who have encrypted material with an encryption key involving letters and figures, but who cannot remember it? They might have lost the bit of paper the key is written on, or mixed it up with a pin number from the bank, or any of the other bits and pieces of information about which we are told, "Keep it safely, memorise it, don't forget it." We try to have a system, but I often have to call my wife, because she remembers my pin number. We have to keep all sorts of information securely and, inevitably, as human beings, we fail. We forget or lose things.

When we forget or lose information, we should suffer the penalty of inconvenience, such as the hassle of calling the bank to request a new card or dealing with the computer companies. We should suffer the embarrassment of admitting to the police that we cannot find a document, and have to turn our houses upside down to try to find it. However, someone should not go to prison for two years because they have been forgetful. If the Government accept new clause 1, on the other hand, the paedophiles, the drug dealers and the terrorists should go to prison for 10 years if they deliberately try to keep their encrypted information from the security services. That would be the effect of new clause 1, and I urge the Government to accept it.

Mr. Richard Shepherd (Aldridge-Brownhills): My right hon. Friend the Member for Penrith and The Border (Mr. Maclean) has put the argument most pithily. The concerns and fears aroused by clause 49 are that an innocent man may be found guilty. One reluctantly acknowledges that the questions of mens rea and the burden of proof are no longer defended in the House by the majority parties. I have great difficulties with the view of this country adopted by the Home Office and those who drafted the clause.

I accept the comments of the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) that our liberties are now more consistently defended in the other place. In saying that, I request the other place to examine the Bill rigorously. It has features that are unacceptable to our sense of freedom, liberty and the due processes that we have held to be important for many years.

I give an especial cheer for amendment No. 18, which contains the simple words "leave out Clause 49". That concentrates the mind better than any other amendment. Clause 49 is dreadful as drafted and would not be much improved by any of the amendments. The Home Office should reflect on that before the Bill reaches the House of Lords.

Mr. Charles Clarke: Before I respond to the detailed points made in debate, I offer the right hon. Member for Penrith and The Border (Mr. Maclean) a little suggestion to help him with his passwords. If he needs eight-letter passwords, he could rotate three—remember, Tory-Gvmt and dementia. They would remind him of the history of much of what we are considering.

With your agreement, Mr. Deputy Speaker, I shall first explain the reasons for the Government amendments in this group. The effect of Government amendment No. 39 is to make further stipulations about the form that a decryption notice is to take. In Committee, hon. Members tabled a number of amendments relating to the form of a decryption notice and I undertook to look at whether the requirements set down in clause 47(4) could look more like those for demands for communications data in clause 22(2).

Government amendment No. 39 is the result and I think that it will be welcomed. I am grateful to the hon. Member for North-East Hertfordshire (Mr. Heald) for doing so. I know that industry has made representations on it. As I said in Committee, there is clearly a need for consistency regarding notices—for the sake of the authorities authorising and serving the notices and for the sake of those receiving them, whether individuals or businesses.

Industry was worried about the possibility of receiving "spoof" notices. Companies will also want to know what it is that they are being asked to provide and by what time. Government amendment No. 39 addresses those points. There clearly needs to be an audit trail for queries. I hope that business will be reassured by that.

There should be an agreed format to notices. How this looks in practice is properly the subject of consultation with industry and others, because we want to get it right to achieve clarity and best practice. That work will be taken forward in the public consultation on the code of practice for part III.

Government amendment No. 67 inserts an extra test in clause 47 to specify that a requirement to disclose a key may be imposed only when it is believed that special circumstances make that necessary. In Committee, I undertook to consider whether there was room for narrowing down the circumstances when a key might be required to be disclosed rather than the authorities simply accepting the plain text of protected material.

I know that many, especially in industry, have no difficulty with the principle of handing over intelligible data when required to do under some lawful authority. However, I recognise that there are concerns about handing over keys, despite the tests and safeguards already in the Bill. The amendment is designed to respond to that concern.

I have previously said that the Government expect that the disclosure of plain text, rather than a key, is likely to be sufficient in most cases in responding to the service of a decryption notice. That is especially true where legitimate businesses are concerned. However, we have listened to industry's concerns and have tabled this limiting amendment, which introduces an extra test to clause 47. We already have a proportionality test, so the logical addition is a necessary one.

The amendment ensures that imposing a requirement to disclose a key may be made only where there are special circumstances to the case making that necessary. We have given that careful thought and, in the case of decryption requests made to legitimate businesses, a requirement to disclose a key where the plain text is available would certainly be most unusual. The difficulty for the law enforcement agencies surrounds the use of the power against suspects. In those cases where trust may be an issue—for example, guaranteeing that any plain text disclosed is the right plain text—requests for keys may perhaps be more frequent. The future is uncertain and we cannot know how often that might be, but the amendment limits the power to demand a key to special cases.

As we have said, the Government are, in many ways, trying to deal with a future danger here. The consensus view is that the rising criminal use of encryption poses a significant threat, for many of the reasons already mentioned in the debate. However, neither the law enforcement agencies, nor industry itself, can predict just how the technology will spread—and nor can the Government. We are striving to maintain a balance with the legislation now. This amendment is a reflection of that balancing exercise. In response to suggestions made in Committee by hon. Members of all parties, I have volunteered these changes because we are genuinely seeking to strike the right balance between providing effective powers and allaying the reservations about the Bill felt in industry and among groups concerned with civil liberties.

Our intention is to set out in the code of practice what circumstances would be considered special—a point raised specifically by the hon. Member for North-East Hertfordshire (Mr. Heald). A draft of the code will be published for public consultation, but the relevant circumstances may be determined along the lines that we have previously set out—for example, where issues involving trust or time limits mean that keys might be required in a special case. We think that those issues of trust and timeliness are central to the implementation of the "special" need.

I hope and believe that industry will welcome the amendment, and I am glad that it has been generally supported in the debates so far.

Mr. Simon Hughes: When will the draft code of practice be published? Did the Minister specifically reject the "reasonable belief" test for the exceptional occasion when the key itself—rather than the other copy—would be sought? When he was considering the issues raised by the hon. Member for North-East Hertfordshire (Mr. Heald) and by us, did he apply his mind to when the power adopted by the Government might be used? Is that in the code of practice, or will it be set out somewhere else?

Mr. Clarke: We intend that the code of practice will cover the power that the hon. Gentleman mentions, and we have given the commitment that the draft code will be published while the Bill is going through the House.

In Committee, I said that I would explore the use of the word "exceptional" rather than "special". We have taken advice on the matter, and have decided that the word "special" should be used in the Bill, as we consider that it gives more legal flexibility than would the word "exceptional". However, we consider that the definitions of what will be covered by the word "special" will meet any concerns that the issue was not being dealt with effectively.

Government amendments Nos. 89 and 90 would exempt part III from the effect of corporate liability. In Committee, I undertook to consider whether part III could be exempted from the provision concerning directors' liability for corporate default. I know that industry has voiced concerns about the matter, and consequently we have agreed to make the changes that amendments Nos. 89 and 90 put into effect. I believe that those changes will be welcomed.

I turn now to the matters raised in the debate by Conservative and Liberal Democrat Members. There is an inconsistency in the Conservative argument. The right hon. Member for Penrith and The Border (Mr. Maclean) made an eloquent speech, in which he spoke about the changes being made to the burden of proof and the length of the sentence. However, the Conservatives' inconsistency was evident when they accused the Government of being both too tough and not tough enough.

Mr. Heald: Does the Minister agree that, when an offence is repugnant to justice, any sentence would be wrong? However, if an offence is fair and a trial is fair, does he agree that its seriousness should be reflected in the sentence, especially when it relates to money launderers, drug traffickers and paedophiles?

Mr. Clarke: I do not accept that the offence is "repugnant to justice", to quote the hon. Gentleman, as I shall explain later.

I resisted these amendments in Committee, where we discussed this issue at some length. I remain unconvinced that changes are necessary. The central accusation—the core point being used to justify the amendments—is that the construction of the offence of failing to comply with a decryption notice in clause 49 means that innocent people will suffer. We do not agree. The issue has generated more heat than light among critics of the Bill, but I accept that the issue is important, so I will state the Government's position clearly.

6.45 pm

The first point to make and to emphasise is that there must be reasonable grounds for believing that a person served with a decryption notice has a key before use of the power can be authorised in the first place. That is an important barrier and burden, and I assure the House that the Government take it seriously.

Importantly—it is worth stressing this point again—part III does not allow the authorities to obtain material that they cannot obtain now. New types of material are not being drawn in by the Bill: it is a question of ensuring that authorities can obtain the material that they are already entitled to obtain.

The new decryption power works only where material is lawfully obtained. In other words, material must be obtained lawfully before the decryption power can come into effect. Only if that material is encrypted, and someone who is in a position to decrypt it refuses to do so, does the question of a prosecution arise.

Two hurdles must be negotiated before a prosecution is justified—there must be reasonable grounds, and the material has to have been lawfully obtained. I also stress that, where prosecutions occur, it is for the authorities to prove, beyond reasonable doubt, that the accused has, or has had, a key. That is a significant burden of proof, and it is laid on the prosecution, not the defence. It is therefore the third serious burden of proof that the prosecution in such cases must meet.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) chided me for using of the phrase "statutory defences". He was right to say that a similar question was debated in connection with the Terrorism Bill—in Committee, on Second Reading and on Report. There are statutory defences for people who have destroyed, lost or forgotten keys. Those defences need to be proved only on the lower level of proof—that is, the balance of probabilities.

Many criminal offences on the statute book place some burden on the accused. We have heard much talk about reversed burdens of proof, but the real issue is whether an accused can show, on a balance of probabilities, that he or she no longer has access to the key. How can the accused do that? The answer is straightforward, and applies in any court of law or legal circumstance. The accused must explain what has happened and the court will decide whether, on balance, he or she is telling the truth.

I believe that such circumstances will arise very rarely. I accept that that assertion is open to challenge, so I shall set out the reasons for my belief. I shall begin with looking at the position of industry in this matter. Were a business ever to find itself in a position of having to show, on the balance of probabilities, that it did not have a key at the relevant time, I fully expect that it could produce any number of technical records to explain the circumstances under which it normally used, stored and disposed of keys.

That is what businesses do. The right hon. Member for Penrith and The Border described the system to deal with lost keys that obtains in the House, and it is the norm for

[Mr. Clarke]

businesses and organisations such as public authorities to have such a system. Responsible and secure businesses are likely to have back-up mechanisms. They will anticipate the loss of a key, and will have an audit trail that shows when keys are used for what purposes, and when they are destroyed.

We know that keys are valuable to business. Businesses have impressed that upon us, but keys are also valuable to anyone who uses systems such as those under consideration. It is therefore reasonable to expect that businesses will be in a good position if—for legitimate businesses not suspected of involvement in criminality it is a big if—they find themselves facing a prosecution. Because the requirements are straightforward and set out clearly in the Bill, the number of times that any problem will arise for businesses in this regard will be minimal; indeed, I consider that it may never happen at all.

For individuals, forgetting a password is a reasonable thing to do. People in my private office at the Home Office, and others with whom I have worked, accept that it is not unknown for me to forget a password occasionally. The right hon. Member for Penrith and The Border admitted that he, too, was often guilty of forgetting his passwords.

It is rare for no contingency arrangements to be in place for such an eventuality. The right hon. Member for Penrith and The Border described the arrangements—involving direct contact with parliamentary officers, his reliance on his wife and so on—that he has in place. Depending on the circumstances of the case, people might relatively easily state that they have forgotten their password or their key, and then volunteer how it was generated, when they last used it and what they normally do when they forget their key. They could also say whether their service provider, for example, provided a back-up system, or whether every time they lost their key all data was destroyed or lost. There are no impossible burdens here—the processes are very clear.

I stress that clause 49(2) excuses someone from liability if he or she no longer has possession of the key and has done what he or she can to enable the key to be recovered by the person requiring it. That does not mean that the defence will fail if the key cannot be recovered—that would be an impossible burden. It simply means that the accused must assist by giving as much information as he or she has available. If they do, they have nothing to fear from prosecution. I emphasise that point, because I believe that it has not been made sufficiently clearly to date.

Mr. Simon Hughes: The argument is perfectly reasonable, but the most vulnerable people will be individuals who are not part of a system with a back-up procedure. They are their only check—they invent the password, and they can forget it. Given that the test is only 50/50 in that it is a case of whether the person is believed or not, would it not be better at least to concede that someone must be found, not just on a balance of probabilities, but beyond any reasonable doubt, to be hiding the fact that they know the password, data or encryption mechanism?

Mr. Clarke: I have tried as best I can to deal with the points that have been made fully. The balance suggested by the hon. Gentleman is not right; that which we are suggesting is right, which is why the Bill is worded as it is.

On sentencing, I take the point made by my hon. Friend the Member for Luton, South (Ms Moran). I pay tribute here in the Chamber, as I did in Committee, to the work done on this issue by the children's charities, which addresses serious and important points. As my hon. Friend said, complex issues of civil liberties are concerned, and there is no doubt that the overriding concern must be the seriousness of the offence. Increasing the penalty to 10 years would put the offence on a par with, for example, cruelty to children. I am not sure whether that is right.

The Bill has been accused of amounting to key escrow by intimidation, a point to which the hon. Member for Esher and Walton (Mr. Taylor) referred. We have been keen not to go down that road. There is a difficult balance to be established between the two questions, and we have decided that the balance proposed in the Bill is the right one. However, I can tell my Friend the Member for Luton, South that we will look carefully at how the Bill evolves and whether the situation that she describes becomes a reality. If her fears are proved right, we will look again at the appropriate level of sentencing in this area.

The Government do not take lightly the questions that have been raised in the debate—we take them very seriously. It is a hard balance to decide, but we think that the balance in the Bill is right. I commend the Government amendments to right hon. and hon. Members and hope that they will reject the Opposition amendments.

Mr. Heald: We are simply not satisfied, and we have not been throughout. Barristers have described the offence as repugnant; they have referred to cases in which judges have considered similar provisions and described them in the most damning terms. It is wrong that we should create offences that offend against the golden threat of justice, as it has been described, by saying, "Oh well, the sentence is only two years." It does not matter what the sentence is if the offence is unjust. If the offence is just, the serious crime of failing to give information to the prosecution authorities that might reveal money laundering, drug trafficking or paedophilia should be marked.

We want a just offence to be created, which does not require an innocent man to prove his innocence but puts the burden of proof fair and square on the prosecution. If he is found guilty, the event should be marked with due seriousness. We intend to divide the House on new clause 1, which we believe meets the justice of the case.

Question put, That the clause be read a Second time:—

The House divided: Ayes 136, Noes 317.

Division No. 180] **[6.54 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Collins, Tim

Cormack, Sir Patrick
Cran, James
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Johnson Smith,
Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Prior, David
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Rt Hon John D *(Strangford)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyrie, Andrew
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Geoffrey Clifton–Brown and
Mr. John Randall.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brand, Dr Peter
Breed, Colin
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burstow, Paul
Butler, Mrs Christine
Cable, Dr Vincent
Caborn, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Rt Hon Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corston, Jean
Cotter, Brian
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Cunningham, Ms Roseanna *(Perth)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flynn, Paul
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*

Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
McAvoy, Thomas
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Rt Hon Alun
Michie, Bill *(Sheffld Heeley)*
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
Olner, Bill
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Shaerman, Barry
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stuart, Ms Gisela
Stunell, Andrew
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vis, Dr Rudi
Watts, David
Webb, Steve
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Noes:
Mr. Don Touhig and
Mr. Greg Pope.

Question accordingly negatived.

New Clause 2

TECHNICAL APPROVAL BOARD

'.—The Secretary of State shall appoint to a Technical Approval Board—

(a) six representatives of persons appearing to him to be likely to be subject to technical obligations under this Act, and

(b) such persons with statutory functions in relation to persons falling within paragraph (a).' —*[Mr. Heald.]*

Brought up, and read the First time.

Mr. Heald: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael Lord): With this it will be convenient to discuss the following: New clause 4—*Report of payments made*—

'.—The Secretary of State shall report annually to Parliament setting out the payments made under section 13 in respect of each person to whom such payment is made, and where payments are not made, the reasons therefor.'.

New clause 6—*Appeal against payment decisions*—

'.—(1) A person to whom a payment is made under section 13, or a person who is refused payment thereunder, may within seven days of notice of the decision appeal to the Court as to the amount of such payment or the said refusal.

(2) The Court to which an appeal may be made under this section shall be—

(a) in England and Wales or Northern Ireland, the High Court and

(b) in Scotland, the Court of Session.'.

Amendment No. 7, in clause 12, page 14, line 7, after "order" insert—

', a draft of which has been laid before Parliament and approved by a resolution of each House,'.

Amendment No. 8, in page 14, line 41, at end insert—

'(6A) Before giving a notice for the purposes of subsection (2) the Secretary of State shall obtain a certificate of technical approval from the Technical Approval Board.'.

Amendment No. 19, in page 14, line 41, at end insert—

'( ) A person on whom a notice under subsection (2) is served may apply to the Technical Approval Board for a review.

( ) A review may be sought on any of the following grounds—

(a) that such steps as may be specified or described in the notice are not technically competent for the purpose set out in subsection (1);

(b) that such steps are not proportionate to the purpose set out in subsection (1); or

(c) that such steps exceed what is necessary to achieve the purpose set out in subsection (1).

( ) On a review application under this section, the Technical Approval Board may either cancel or affirm the notice, and, if it affirms it, may do so either in its original form or with such modifications as the Board may in the circumstances think fit.'.

Government amendment No. 24.

Amendment No. 9, in page 15, line 11, at end add—

'(9) In this section "a certificate of technical approval" means a certificate in writing given by the Technical Approval Board to the effect that the steps specified or described in the notice would be—

(a) technically competent for the purpose set out in subsection (1); and

(b) proportionate thereto.'.

Amendment No. 13, in clause 13, page 15, line 12, leave out—

'may, if he thinks fit,'

and insert "shall".

Government amendment No. 25.

Amendment No. 10, in clause 21, page 24, line 16, at end insert—

'(4A) Where it appears to the designated person that a postal or telecommunications operator is not or may not be in possession of, but is or may be capable of obtaining any communications data, the designated person shall not give a notice under subsection (4) unless he has obtained a certificate of technical capability from the Technical Approval Board.'.

Amendment No. 11, in page 24, line 16, at end insert—

'(4B) In this section "a certificate of technical capability" means a certificate in writing given by the Technical Approval Board to the effect that the postal or telecommunications operator—

(a) is technically capable of obtaining the communications data, or

(b) could be technically capable of obtaining the communications data if certain steps were taken, and the certificate—

(i) specifies or describes such steps; and

(ii) certifies that the taking of such steps would be proportionate to what is sought to be achieved by so obtaining the data.'.

Government amendment No. 28.

Amendment No. 17, in clause 71, page 77, line 21, at end insert—

'"technical obligations under this Act" means steps to be specified or described in a notice pursuant to section 12(2) and steps needed to be taken pursuant to section 21(4) in order to be capable of obtaining any communications data.'.

Mr. Heald: New clause 2 would set up a technical approval board made up of six representatives of industry and the regulator to vet technical requirements to be imposed by the Secretary of State on public telecommunications and postal services providers under clauses 12 and 21.

We all accept the principle that there should be an intercept capability for the internet. As we made clear on Second Reading and in Committee, however, there is widespread concern at the unknown extent and cost of providing that capability as well as concern about communications data. When the Government consulted on these issues last summer, it became clear that there is uncertainty about whether it is technical practicable to provide such an intercept capability. The costs also remained uncertain.

It is surprising that it was not until January that the Government troubled to employ expert consultants to report on the technical issues. However, the Smith Group of Guildford has done its work and its report has been published recently, for which I thank the Minister, even if I have to say that it is better late than never. The industry is considering the detail at the moment, and it is difficult to know exactly what the full response will be. Early indications are worrying. The Federation of the Electronics Industry tells me that, even at this early stage, some people believe that the measure will lead to bulk interception. The operators' group has not previously commented on the clauses; however, it now states:

Despite assurances given to the Standing Committee, the remarks of Jane Kennedy MP, the Parliamentary Secretary in the Lord Chancellor's Department, the Bill as at present worded gives the Government powers to require interception of data and other communications which will mean the commitment by communications service providers of a high level of expenditure on hardware, software and personnel. These costs will fall proportionately more heavily on smaller communications operators than on larger ones, and are therefore likely to be anti-competitive, and inimical to new entry.

The assurances given so far are not comforting . . . They, the costs remain unspecific, and Government appears to arrogate to itself the right to decide to what extent the cost of these new regulatory burdens carried out for Government's benefit, would fall upon our industry.

There is no negotiating machinery by which the industry could agree the definition of a reasonable intercept capacity, and there is not even a commitment to negotiate over costs.

In effect, the group is saying that the broad scope of powers exercised purely at Ministers' discretion, coupled with a highly optimistic compliance cost assessment, is unsatisfactory.

As we have pointed out, British Telecom noted that the mechanism for deciding what is a reasonable intercept capability will be a key factor in ensuring the successful implementation of the Bill and in avoiding putting the UK at a commercial disadvantage with the rest of the world. My hon. Friend the Member for Esher and Walton (Mr. Taylor) mentioned Mr. Philip Virgo. Mr. Virgo is involved with EURIM—the European Informatics Market—but is commenting on his own behalf. He said:

The main concern (of City institutions) is over the uncertainty as to who will have what rights of access to their data and communications and the risk of criminal access under guise of a warrant.

He noted that many institutions are already "tiptoeing offshore". That point was also made by my hon. Friend.

The Smith Group's report raises as many questions as it answers—as does previous information supplied by the Government. The group has decided that one solution cannot be applied to all internet service providers and it has come up with a menu. There is the low-cost option of active interception, whereby e-mails for a selected subscriber would be provided. The next option is semi-active interception, whereby control data would be passed to interception equipment each time an address was assigned to a selected subscriber. The subscriber traffic would be routed past an intercept point in order to obtain that. The most expensive option is passive interception, whereby all selected subscriber traffic would be forced to flow past interception points and there would be a selection of traffic.

The report makes several points that are of concern. It states that the semi-active approach might be over-burdensome for small internet service providers and that the passive approach is more expensive to implement for the ISP and the Government in medium-sized ISPs and is therefore not recommended in such cases.

The spectre is that a bespoke notice will have to be served on each ISP, with the technical requirements to be imposed on the particular ISP. That raises huge issues. One of the industry's concerns throughout the process has been that the provision should not discriminate between ISPs. Under the Government proposal that seems to be emerging—we have never actually heard it, but I hope that we shall do so tonight—a medium-sized ISP could be told that it had to provide only an active approach. That would be the cheap method. At the same time, another slightly larger ISP, which, although described as

[Mr. Heald]

"big", was in competition with the medium-sized one, could be required to implement the expensive, passive approach with huge start-up costs.

7.15 pm

Will the Minister confirm that IPSs—almost above all else—do not want the provision to be discriminatory? It should not create competitive advantages for one ISP over another. Will he confirm that active interception—as identified by the Smith Group—is a limited and cheap option? Would he be prepared to limit his ambitions to that? Will he confirm that the Smith Group has recommended that the Government should meet initial investment costs? Does he agree with that? Does the Minister agree with the cost estimate of the Foundation for Information Policy Research that ISPs will be required to pay more than £30 million?

In Committee, the Minister said that ISPs would not support the idea of a technical approval board. I replied that I would consult on that point. The advantage of such a board is that it would be an independent body that understood the issues. I do not know whether the Minister claims to understand that fully. He nods—he does understand. I admit that there comes a point when the technical difficulty is beyond me. Does the Minister agree that the advantage of a technical approval board is that it would be independent? It would consider the Minister's proposal for companies and would be able to decide whether the proposal was technically sensible; whether it was proportionate to the purpose and—in the case of a small ISP—whether it would put the ISP out of business. The board would provide an element of independent scrutiny. After all, the Government are not expert in technical matters, as every computer project over the past 10 years has shown—there has not been a successful Government computer project for a long time.

Governments are not technically proficient in such matters. An independent body could at least offer companies a review from technical experts. I said that I would consult on that matter. The Minister said that the Government would not welcome a scheme that allowed a quango to give technically sensitive information to competitors and that it would not be right to share such information. However, in a letter, he had previously told me that the only way that the Government could reduce costs would be by sharing expertise across the community.

The Minister might be interested to learn that the Federation of the Electronics Industry stated that

> we believe that it is important that industry have the powers envisaged under your proposal for a technical approval board . . . I cannot agree with the Minister's statements . . . I thought you easily won the argument on technical approval board.

The London Internet Exchange stated:

> We have always expected some kind of approval board . . . There is no feeling that confidentiality would be a problem.

Numerous other bodies have told us that no one is against the measure. Will the Minister reconsider the matter? He has thought again about many of the issues. What is wrong with appointing an independent body to consider the matter? He will have to appoint technical experts. If his statements in Committee are correct, he will have to consult on the measure. Why not do so in the way that the industry wants? Why dig in?

New clause 4 would also build confidence. It would require the Secretary of State to

> report annually to Parliament setting out the payments made under section 13 in respect of each person to whom such payment is made, and where payments are not made, the reasons therefor.

New clause 6 would give a right of appeal. That would ensure a level playing field between ISPs, so that if one seemed to be favoured over another for compensation, there would be some redress.

It is welcome that the Government are responding to amendment No. 7, which provides that the generic requirements—the general terms to be applied to ISPs—would be subject to the affirmative resolution procedure. We are pleased that they have conceded that point in Government amendments Nos. 24 and 28.

The issue is not only about whether the Government's proposal is technically feasible—the Smith report expressed concern about whether it would be feasible to apply it to all ISPs and suggested that it would not be—but about the question of money. We are pleased that the Government have listened to the suggestions that were made in Committee. They are now prepared to respond to our amendment No. 13—Government amendment No. 25 acknowledges our point—which requires that they "shall" make a fair contribution to the industry. Amendments Nos. 17 and 19 are consequential on the acceptance of the idea of a technical approval board.

The industry is obviously worried that the Government's proposal might be burdensome, especially as circumstances change with new technologies coming on stream. The Government's requirements today might not be their requirements in the future. There is evidence that companies are already responding to the proposal by moving, or by considering moving, offshore. We have built a marvellous new industry in information technology that does this country proud and it provides a future for young people in a new economy, as the Prime Minister would describe it. Therefore, it would be a tragedy to turn our back on that by being stubborn about something as sensible and well supported as a technical approval board.

I hope that the Minister will take our suggestion more seriously than he did in Committee, where he described it as an expensive quango. He will have to do the work anyway. No extra cost will be involved—a point that the London Internet Exchange makes in its correspondence with me. A board would be nothing new; everyone expected one. Therefore, the industry says, "Come on Minister. Let us see a little more reasonableness and the colour of your money."

Mr. Simon Hughes: Again, there is broad consensus among Opposition Members. It only remains for the Minister to sign up and we will be all aboard together. The industry and the people who made representations to us will be happy. The House will be happy, we will be able to move on to the next group of amendments and the Minister will be able to chalk up another success.

As the hon. Member for North-East Hertfordshire (Mr. Heald) said, the Government have already made two welcome concessions in this group of amendments. Government amendment No. 24 clearly accepts the principle of amendment No. 7, which was tabled by Conservative Members but which Liberal Democrats support. Government amendment No. 25 responds to points made in Committee, particularly by my hon. Friend

the Member for Sheffield, Hallam (Mr. Allan), and it sensibly uses the wording in clauses 23 and 48 on the reimbursement of costs and seeks to apply it to clause 13.

All the new clauses and amendments in the group that were tabled by Conservative Members are eminently sensible given the provisions in clauses 12 and 13. Clause 12 is the substantive clause, under which the Secretary of State can order those who provide postal services or public telecommunications services, or who propose to do so, to comply with interception warrants, and we anticipate that clause 13 will provide grants to meet the costs of that. It is sensible that the additional costs should be paid for as part of the system of getting our commercial sector into a position in which it can comply with the law. It wants to do that, and there has been a positive response to the suggestions made.

We support the practical proposals in new clauses 2, 4 and 6 and in amendments Nos. 7, 8, 19, 9, 13, 10 and 11. There was considerable debate in Committee on how we would meet the concerns of industry. It is sensible to create a body such as a technical approval board, so that discussions can take place and agreement can be reached with industry. In Committee, the Minister suggested that the Government would try to reach agreement with the private sector and that they intended to proceed by consensus. That approach would be better secured by making it clear in the Bill.

There needs to be an appeals system and we are grateful for the fact that the Government appear to have conceded the point that orders must be laid before both Houses and approved after a debate on them. That will give us the opportunity to ensure that the Government get it right, which is always an additional incentive. The proposals for a certificate of technical approval and for a review are sensible, as is the definition proposed.

I welcome Government amendment No. 25 because it will ensure that the Secretary of State has the power to consider what payment is appropriate. The defect is that clause 13 contains a "may" and not a "shall" provision, and amendment No. 13 would cover that point.

Two issues relate to compliance. The first is how those in the telecommunications world comply with the provisions and the second is the need to ensure that they have the technical ability to do so. It is no good to produce a scheme that is not technically feasible, so I hope that the Government will be positive about the principles in the amendments and new clauses, which have our broad support, even if they quibble with their wording.

Liberal Democrats did not lead on this issue in Committee and we are happy that Conservative Members continue to lead on it. However, we broadly accept their arguments and people outside the House have been very positive about them.

Mr. David Ruffley (Bury St. Edmunds): Clause 12 is inadequate without the benefit of the amendments tabled by my right hon. and hon. Friends. It will provide no proper means for service providers to affect or to challenge notices served on them under the Bill. If the clause is accepted unamended, the United Kingdom industry will be subject to a regime unlike that imposed in any other developed industrialised economy.

I shall address my remarks to new clauses 2 and 4. As my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) pointed out, the industry believes that investors in this country will be deterred by the obligations set out in clause 12. In particular, potential investors will face technical implementation costs that are unquantified and unquantifiable. The industry's view is that those costs will constrain technical solutions and the development of technology, and that uncertainties will directly discourage investment in this country.

The Government have a way out. They can agree to the amendments and to new clause 2, which is key because it would set up a technical approval board. One does not have to look far to see the reasons for the new clause. We should all accept—as the Minister did in Committee, I believe—that technology, especially internet technology, is moving rapidly. There is no analogy between intercept regimes for fixed-line and circuit-switched operating technology, like telephony, and the new world of the internet in which service providers must operate.

It is vital that the technical requirements that authorities impose on service providers under the clause are reasonable. We contend that technical requirements will be reasonable and proportionate only if the industry provides genuine technical input to determine what the reasonable requirements of service providers are in relation to the capabilities defined in clause 12.

7.30 pm

With the greatest respect, the Government have not been awfully good on the quantification of costs, which is the subject of new clause 4. They have not shed much light on the real cost to small, medium-sized and large companies in this sector. The technical advisory board that would be set up if new clause 2 were accepted would give the industry and the Government much-needed information and a proper quantification of the costs to UK industry. That would enable Ministers to decide what is a reasonable technical requirement under the clause.

My hon. Friend the Member for North-East Hertfordshire has rehearsed the arguments on that, so I will not develop them. I had the privilege of serving on the Committee considering the Bill, and I merely wish to register concern on behalf of the many operators who have contacted me and who have reiterated such anxieties since the Committee proceedings. I urge the Minister, who was diligent in Committee, and is also reasonable and exceedingly courteous, to give us further explanation, if possible, as to why the Government find a technical advisory board so objectionable—or, indeed, to say why it is otiose, irrelevant, unnecessary or redundant. Whatever words he chooses, will he explain why the board is, if not objectionable, unnecessary? If it is, why do so many operators take the contrary view and support our amendment?

I shall quickly rehearse an explanation of the regime that a technical approval board would put in place. There would be six representatives from the industry, who would be likely to be subject to the technical obligations under this clause; there would also be, as new clause 2 states,

> such persons with statutory functions,

which, typically, means the regulator.

New clause 2 should be accepted because it would result in the Secretary of State having his or her feet held to the fire in relation to determining what is reasonable under clause 12(1). The Minister intended to satisfy us

[Mr. David Ruffley]

with an assurance that he would consult. However, the consultation requirement of which he spoke in Committee is not in the Bill; it does not appear in clause 12 or anywhere else in relation to the obligations under that clause. That is not good enough.

The new technologies coming on line will result in Ministers imposing obligations, but, as has been said, without the benefit of our amendment, there is no proper guarantee that those obligations will be technically competent or proportionate. Let me pre-empt the Minister by suggesting that he will say that the technical approval board would be another quango, and will then ask how much it would cost. We have already heard the answer to that: it should cost nothing, and indeed, might save the Government money.

In the fast-moving world of the future, the Secretary of State or his successor will have to ask his civil servants for detailed technical advice before deciding what a reasonable obligation is and whether to impose it. With the greatest respect to civil servants in Whitehall, the technical advice that they are able to give the Secretary of State will not be as good as the advice that players in the industry can give him. People who are running businesses that require them to be on top of the subject, day in, day out, have technical ability and expertise that must be far in advance of what civil servants have at their command. No matter how technically brilliant such civil servants may be, they will never be as good as the players in the industry running businesses, who know the subject inside out.

Such individuals would be on our board, and would give advice to the Secretary of State at a minimal cost—lower than the costs that he would incur by having civil servants trained up to give technical advice of comparable quality. We made that point in Committee, but the Minister did not, I fear, give an adequate response to it. I trust that he will give a slightly better answer in this debate, and that it will involve his acceding to new clause 2.

I turn now to costs—the subject of new clause 4, which would oblige the Government to produce an annual report for Parliament, detailing grants made to compensate operators who have had to comply with the technical capability requirements in clause 12. That involves a big problem, to which the Government are alive, as they talk at great length about the need to cut regulatory and cost burdens on small and medium-sized enterprises in this country. There are units in the Cabinet Office that seem to do little else but talk about that important subject. In this debate, the Minister has an opportunity to put his money where his mouth is and deliver a Bill that reduces—or at least does not increase—the costs and regulatory burden on small businesses in the sector that it covers.

As has been hinted, and as was discussed at great length in Committee, the costs imposed by clause 12—which are the subject of a compensatory grants system in clause 13, to which new clause 4 relates—are not one-off costs. Continuing costs will be imposed on the providers who are under such obligations, relating to the cost of software, hardware, extra staff and their training, the time that must be spent talking to law enforcement agencies, month after month, year after year, not to mention the legal advice that such companies must seek to ensure that they are complying with the legislation.

Clause 13 is a permissive measure, allowing the Secretary of State to make contributions in the form of grants for costs incurred by providers, but not requiring him to make such grants. Other amendments in this group deal with that concern.

I shall finish by raising a serious concern about the basis on which the Minister has argued that we should not bother too much about those costs, contending that clause 13 is adequate to cover them. I believe that the Government think that those costs are marginal. Their consultation document certainly seemed to state that the costs were marginal. In Committee, the Minister provided an estimate of £20 million for the additional costs imposed on the industry as a result of clause 12, but I fear that that was only a wild stab in the dark. The changes that providers will have to implement will not be a one-off; changes may be required five or six times during the next decade, as technology moves on. More than one set of intercept capabilities might have to be introduced—for all we know, one a year, or even one a month, could be required. The costs could be massive, and £20 million is not a realistic estimate, given the fast-changing nature and rapid pace of technological innovation in the industry.

The London Internet Exchange has underlined that point, arguing that

> Due to the inherently short lifecycle of internet—

specifically, internet—

> infrastructure equipment, and the need to replace and enhance networks due to traffic growth, it is misleading

to think that any changes and upgrades will be one-off actions, given that networks are

> constantly evolving and expanding and the need for additional engineering work to support the capability for interception will be ever present.

Therefore, £20 million cannot be an adequate quantification of the costs in years to come.

I hope that the Minister will reflect on that. Even if he does not resile from the £20 million figure, I hope that he will at least acknowledge that it cannot be a proper final estimate of the costs to which the industry will be subject. We require some assurance that the compensation system will be not subject to the Secretary of State's discretion, but that he will be under a duty to make payments to those who suffer huge hits, especially small and medium-sized enterprises. Given that the costs will not be one-off and that there could be myriad changes over the next decade, the Government should accede to our request that Parliament should, in years to come, be told what the costs are and what grants are being made to cover those costs.

An annual mechanism for accountability to Parliament is the best way in which the House can protect the interests of this country's small and medium-sized enterprises. In that spirit of honest inquiry, we are willing the Government to listen to the operators that have lobbied the Opposition Members who have spoken about these matters. Ministers must do the right thing by an important world-class industry: they must make sure that it remains a world-class industry and is not driven offshore by uncertainty and ridiculous cost impositions.

Mr. Charles Clarke: I am delighted to respond to the debate. I should first like to emphasise an important point that ran through the debate in Committee and that has been raised again this evening: that is, the Government's strong desire in everything we do in this sector to co-operate with industry. I repeat that we acknowledge that the arrangements and the apparatus established by the Bill will not succeed if that co-operation does not take place.

These amendments deal with four main issues, the first of which is whether an order made under clause 12 should be subject to the negative or affirmative resolution procedure. Secondly, the amendments propose that a technical approval board should be set up to oversee the duties placed on communication service providers. Thirdly, they propose that users of communication services should be consulted about the technical requirements that will be imposed on service providers. Fourthly, the amendments are designed to provide greater clarity regarding the cost of interception and who will pay.

All those issues were debated at length in Committee, at which time I indicated that I was sympathetic to the first of the amendments—the one dealing with the negative or the affirmative resolution procedure. I am pleased to report that, as the hon. Member for North-East Hertfordshire (Mr. Heald) and other speakers graciously acknowledged, the Government have introduced amendments Nos. 24 and 28, which will have the effect of making a clause 12 order subject to the affirmative, rather than the negative, resolution procedure.

In Committee, I made it equally clear that, although I fully agreed that any requirements placed on industry by part I should be properly considered and reasonable, I was not sympathetic to the concept of a technical approval board, which remains the most substantive issue dividing the House. I explained at length in Committee why I believe that the existing provisions of the Bill achieve the desired aim, but I shall attempt to do so again now, albeit without subjecting the House to the extensive debate that the Committee enjoyed, both on that subject and on matters closely related to it. I am happy to summarise the Government's position.

7.45 pm

The Bill already provides the framework for a three-stage process to arrive at a reasonable intercept capability in respect of individual communication service providers. Given the comments of the hon. Member for Bury St. Edmunds (Mr. Ruffley), it is important to say which of those three stages would be removed if the technical approval board were to be established, in order to avoid an additional stage that carried implications of cost and bureaucracy.

The first stage is the Bill itself, which sets out the principle that responsibility for maintenance of an intercept capability should fall to the provider of the communication services. That is an established principle long adhered to by public telecommunications operators. It leads to the need for the second stage, which is a thorough consultation exercise on the draft clause 12 order—the generic reasonable intercept requirements document.

There is already a good deal of informal consultation going on, the debate on which has recently been informed by an independent report on the feasibility of intercepting internet service providers. That report was commissioned by the Government and is now available on the Home Office website. Later this year, we shall publish a draft order for formal consultation with providers of communication services and regulatory bodies. Following the consultation, the Secretary of State will lay the order before Parliament. If Government amendment No. 24 is accepted, the order will be passed under the affirmative resolution procedure.

That is the second stage, consisting of substantial debate. The hon. Member for Bury St. Edmunds spoke about seeking genuine input from the industry, but we believe that that process has already commenced and will continue. The hon. Gentleman also talked about my feet being held to the fire; I am glad to learn that the mid-19th century traditions of the public schools—whether Rugby or another—are alive in the modern Conservative party.

Mr. Ruffley: I did not go to Rugby.

Mr. Clarke: I was not suggesting that the hon. Gentleman did; I was saying that the ethos still infects his party today. However, I wish to place on record the fact that I do not enjoy having my feet held to the fire—no part of me takes pleasure in that.

Mr. Heald: I am sorry to interrupt the Minister, especially with an intervention that is not even amusing. He says that the technical approval board is not a suitable body; however, paragraph 5.6 of the Government's original consultation document states:

> The Government also proposes to appoint an independent body to provide impartial advice on how to balance the requirements of the agencies and CSPs. This should help to ensure that any requirements are reasonable, proportionate and do not place CSPs at a disadvantage.

What did they mean by that?

Mr. Clarke: I am grateful to the hon. Gentleman for bringing me back to earth after my far-ranging diversion following the hon. Member for Bury St. Edmunds. I shall come to the point raised by the hon. Member for North-East Hertfordshire shortly.

The third phase of the procedure consists of the serving of individual notices on communication service providers. The notices will say what providers are expected to provide and give the time scale within which they should provide it. Individual notices will result from dialogue between the Government and the service providers themselves. Each notice will take account of the precise circumstances, much of which information will be commercially sensitive, and it will be consistent with the order passed by Parliament. The purpose of the notices will ensure consistency across the industry. I emphasise that individual notices will not be imposed by any external body—for example, a technical approval board—but will result from dialogue between the Government and service providers.

The Opposition amendments would require a further step to take place—the approval of any requirements by a technical approval board. However, that presupposes that a notice has been served that is unreasonable, or that the service provider has been unable to comply with it. Either circumstance would be counterproductive and would not be brought about by the Government.

[Mr. Clarke]

The effect would be that the service provider would be unable to comply, or would refuse to do so, which would place on the Secretary of State, if he wished to take enforcement action, the onus of convincing a court of the reasonableness and proportionality of the notice. It is difficult to see what a technical approval board could add to the process.

What would enhance the process is the proposal in the second stage of the generic reasonable intercept requirements document, under which we have established, as the hon. Gentleman knows, the consultative body with which we are discussing these matters in a consistent and inclusive way. That was referred to in his document.

If the proposal made by the hon. Member for North–East Hertfordshire were agreed by the House, I would be concerned about how the six members of the putative technical approval board would be selected, and how they would consider applications in commercial confidence. As I made it clear in Committee, I believe that those are difficult issues. We believe that the proper way is to consult the industry.

The hon. Gentleman suggested that there was significant industry support for a technical approval board. However, in the responses to the consultation document, the industry did not generally support the idea of an independent industry body. We responded by setting up the general consultation, which has been described.

In the light of what we have just heard, I want to place it on record that the Home Office has received no representations supporting the idea, despite our regular contact with the Federation of the Electronics Industry and the operators' group. The Home Office has day-to-day contact with the telecommunications operators that have a current intercept capability. They are understandably reluctant to share commercial secrets, although they willingly share interception methods where that does not compromise their commercial position.

I am happy to examine the detailed correspondence and the survey that the hon. Gentleman has conducted on the matter. It is perfectly reasonable for him to do that, and I shall consider his conclusions. I emphasise that the Home Office has not had representations from the industry supporting the idea of a technical approval body. The responses to our original consultation document were not positive in that regard, either.

Mr. Heald: The original proposal was that approval would be given by Oftel, which is quite different from what I am proposing.

Mr. Clarke: I understand that. It is a fair point. I do not seek to second-guess the hon. Gentleman, but we have not had representations from the industry supporting the idea of a technical approval board.

Mr. Heald: I am grateful to the Minister for giving way again. If he thinks that the proposal is worth considering, is it possible for the Home Office to consult on it to satisfy itself?

Mr. Clarke: The debate is public, and our discussions with the industry continue, both with individual ISPs and with the associations. I do not believe that a more beneficial situation would result from the imposition of the proposed body, on top of the three-stage process that I described, given that—I place this on record again—we are seeking agreement before introducing any order. That is why I must resist the hon. Gentleman's amendment.

Amendment No. 12 proposes that users of communication services should be formally consulted about the order made under clause 12. As I explained in Committee, it is right that the wider public should have the opportunity to offer their opinion on the general use of interception and the circumstances in which it may be deployed. They took that up during the public consultation exercise, and they will have the opportunity to comment on the codes of practice when we consult on those later this year. Although we will publish the draft on the Home Office website for all to see, we have not extended the requirement on the Secretary of State to consult more widely than the Bill provides.

On the Government amendments, I mentioned at the beginning of my speech that, following consideration of the representations, we tabled amendments Nos. 24 and 28 to make the clause 12 order subject to the affirmative, rather than the negative, resolution procedure. I hope that that will provide reassurance.

As we acknowledged throughout the debate, and as the hon. Gentleman said in his intervention, cost is an extremely important consideration. I am conscious of the fact that there are serious questions relating to the costs and their apportionment between Government and industry.

The Opposition amendment requiring that the Secretary of State "shall", rather than "may", make payments to communication service providers was discussed at length in Committee. The Parliamentary Secretary, Lord Chancellor's Department, my hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy), offered in Committee to include in the Bill a provision making clear the Government's intention to continue to meet marginal costs. In the light of that commitment, Opposition Members withdrew their previous identical amendment on the matter. The Government have now tabled, as promised, amendment No. 25, setting out our commitment to continue the payment of marginal costs. I am grateful to the hon. Gentleman for his support and acknowledgement of that.

Amendment No. 13 demands that the Secretary of State report annually to Parliament providing information on what payments have been made to whom, and if payments have not been made, the reasons why that is so. We cannot support the amendment and hope that, on serious reflection, the Opposition will withdraw it.

We believe that the amendment would fatally undermine the interception regime if it became publicly known which communication service providers were maintaining an intercept capability. On publication of the annual report, criminals would automatically move their custom to communication service providers that were not listed as having received contribution payments from the Government to provide interception assistance. Moreover, we do not think that CSPs would wish their individual assistance to be publicly acknowledged in such a manner.

Similarly, the specific reasons why payments have been made and the particular level at which they have been set in a particular case may touch on operational practices which could adversely impact on law enforcement practices and capabilities.

I understand the hon. Gentleman's arguments with regard to the technical board, although I do not accept them, but I hope that on this issue, he will concede that his amendment would be damaging to law enforcement in this country, which I know is not his intention.

New clauses 4 and 6 introduce a right of appeal within seven days of a notice being served that payment by the Government will not be made, or if the recipient of the notice considers the payment to be insufficient. Although I understand the intentions behind these new clauses, I do not consider them to be necessary.

My final point refers to the Smith report. Hon. Members will be aware of the report, which has been produced by independent consultants and has been published on the Home Office website. The report discusses the various interception capabilities that may be required and the different costs involved in supplying those requirements. The document will be used to inform our consultations with industry on how costs should be allocated.

Once consultations have been completed, we will set out in secondary legislation how costs will be allocated between industry and Government. Following on from that, decisions on specific cost allocation will be reached with each individual CSP by mutual agreement, after comprehensive consultations. That is exactly how decisions are currently reached—through mutual agreement on an individual basis. We have not encountered any calls from industry to change the current arrangements that I have just described.

In the light of comments made in the House and outside, I shall comment on some of the proposed costings. There has been a suggestion that £34 million is the appropriate cost, as the hon. Member for Bury St. Edmunds mentioned. That assumes that all 400 ISPs will be obliged to possess an e-mail active intercept capability, amounting to £17 million, and furthermore that the 20 largest ISPs will be obliged to possess a semi-active or passive capability, amounting to another £17 million.

I make it clear that that is not the intention at all. We do not currently require all public telecommunications operators to possess an intercept capability, and we do not expect to ask all ISPs to carry an intercept capability. We therefore consider the £30 million price tag as overestimating considerably the overall costs of providing a reasonable intercept capability.

8 pm

We have not rushed to put a price tag on the overall costs. However, figures in the report do not contradict the views in the regulatory impact assessment which was published with the Bill. It estimated that the costs would be less than £20 million for the whole industry. We debated that in Committee.

We have been in continuing discussions with industry for a considerable time. The Smith report will be used as the basis for informed discussions with individual service providers and others. We welcome constructive diseussion with them. After we have consulted industry about those points and the specific point that the hon. Member for North-East Hertfordshire made, we have shall have a clear view of the potential costs. The hon. Gentleman will have noted that the Smith report concluded that the burden on industry to fulfil the Bill's obligations is "not onerous". I believe that that is so.

I have tried to tackle as fully as possible the points that the amendments raised. I hope that hon. Members will support our amendments and reject those of the Opposition.

Mr. Peter Luff (Mid-Worcestershire): It is appropriate that my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) opened the debate because, on this occasion, the Opposition is like Oliver: we are asking for more. Sadly, the Minister has not acceded to that request, and we regret that.

Let us deal first with the amendments that tackle the reimbursement of costs. While we welcome Government amendment No. 25, it does not go far enough. We cannot understand why the Government continue to resist amendment No. 13. Government amendment No. 25 appears to impose a duty on the Secretary of State. To change "may he thinks fit" to "shall" is eminently sensible. However, the absence of a right of appeal on reimbursement is worrying. The Minister spoke in reassuring terms about the total cost of the process, but I do not share his optimism.

I draw the Minister's attention to the Smith report's clear finding that there is no single solution to the problem and that different costs will be imposed on different internet service providers. Although the Minister said that he would discuss with them the way in which the costs would be apportioned and the burdens that would be placed on them, the private sector does not always trust Governments.

The Minister made a useful point about new clause 4 and the duty to report to the House. However, it is important to have some idea of the costs that the Bill will impose on the Government and the providers. Although we shall not press new clause 4 to a Division this evening, I strongly suspect that we shall revert to it in another place.

The Minister spoke of a three-stage process for the technical approval board. The third stage was consulting with those who will be subject to the orders. That is all very splendid, but what if the dialogue, about which the Minister spoke so movingly, fails? What if the Government get it wrong? After all, Governments have been known to get it wrong. The Minister may have reservations about our proposed technical approval board, although Conservative Members and Liberal Democrat Members did not criticise it.

The technical approval board is the right way forward and the Minister needs to reconsider the matter. He will have to undertake the functions that would be delegated to a technical approval board; he said that in the original consultation document. I am glad that he is prepared to reconsider information from my hon. Friend the Member for North–East Hertfordshire and I hope that he will return to the subject.

We welcome the Government's change of heart on the order-making powers, which have worried the Opposition throughout the Bill's passage. However, the burdens that

[Mr. Peter Luff]

the Bill imposes on individual providers remain a matter for discussion between the Government and those providers. The order, which is now subject to the affirmative resolution procedure, is general and permissive. The devil will indeed be in the detail.

The Minister has underplayed the risk of undermining confidence in the e-commerce revolution in this country. He has failed to grasp the risk of discrimination—unintentional, I am sure—by the Government against individual service providers through the different burdens that technical requirements or costs place upon them.

I am unable to give the Minister the assurance that he sought. We shall press new clause 2 to a vote. If time permitted, we would have like to press other amendments in the group. New clause 2 is a surrogate for our remaining deep anxieties about the sad inadequacy of the Government's response.

Question put, That the clause be read a Second time:—

The House divided: Ayes 156, Noes 296.

Division No. 181] **[8.4 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, Rt Hon James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burstow, Paul
Butterfill, John
Cable, Dr Vincent
Campbell, Rt Hon Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Collins, Tim
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Cunningham, Ms Roseanna *(Perth)*
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Duncan Smith, Iain
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Hawkins, Nick
Heald, Oliver
Heath, David *(Somerton & Frome)*
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Waterson, Nigel
Webb, Steve
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. John Randall and
Mr. Geoffrey Clifton-Brown.

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Berrningham, Gerald
Berry, Roger
Best, Harold
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Cabom, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Cleiland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corston, Jean
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Denham, John
Dismore, Andrew
Dobbin, Jim

Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gapes, Mike
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
McAvoy, Thomas
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McNamara, Kevin
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Raynsford, Nick
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vis, Dr Rudi
Ward, Ms Claire
Wareing, Robert N
Watts, David
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. David Jamieson and
Mr. Tony McNulty.

Question accordingly negatived.

New Clause 7

FAILURE TO COMPLY WITH A NOTICE TO DISCLOSE A KEY TO PROTECTED INFORMATION

'(1) A person is guilty of an offence if—

(a) with intent to impede access to protected information or the putting of that information into an intelligible form, he fails to comply in accordance with a section 46 notice with a requirement of that notice to disclose a key to protected information;

(b) there are reasonable grounds for believing that possession of the key is necessary to obtain access to the protected information or the putting of that information into an intelligible form; and

(c) he is a person who has, or who after the giving of the notice and before the time by which he was required to disclose the key, had possession of the key.

(2) A person is guilty of an offence if—

(a) he fails to comply in accordance with a section 46 notice with a requirement of that notice to disclose a key to protected information;

(b) there are reasonable grounds for believing that possession of the key is necessary to obtain access to the protected information or the putting of that information into an intelligible form;

(c) he a person—

(i) who has had possession of the key; and

(ii) who has, or who after the giving of the notice and before the time by which he was required to disclose the

key had, possession of information which would (either on its own or in combination with other information) enable possession of the key to be obtained; and

(d) with intent to impede access to protected information or the putting of that information into an intelligible form, he did not before the time by which he was required to disclose the key, make a disclosure to the person to whom he was required to disclose the key of all such information in his possession which would (either on its own or in combination with other information) enable possession of the key to be obtained.

(3) In proceedings against any person for an offence under this section it shall be a defence for that person to show—

(a) in the case of an offence under subsection (1), that it was not reasonably practicable for him to make a disclosure of the key before the time by which he was required to do so;

(b) in the case of an offence under subsection (2), that it was not reasonably practicable for him, before the time by which he was required to disclose the key, to make such a disclosure as is mentioned in subsection 2(d); and

(c) where in either case it has since that time become reasonably practicable for him to make a disclosure of the key or of information which would (either on its own or in combination with other information) enable possession of the key to be obtained, he has made such a disclosure to the person to whom he was required to disclose the key.

(4) Except in a case where there is no authorisation for the purposes of section 47, in proceedings for an offence under this section a person shall have a defence under subsection (3) only if he also shows that it was not reasonably practicable for him to comply with the requirement in the manner allowed by that section.

(5) A person guilty of an offence under this section shall be liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both;

(b) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum, or to both.'.—*[Mr. Simon Hughes.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House divided: Ayes 25, Noes 293.

Division No. 182] **[8.16 pm**

AYES

Bell, Martin *(Tatton)*
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burstow, Paul
Cable, Dr Vincent
Campbell, Rt Hon Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Cunningham, Ms Roseanna *(Perth)*
Davey, Edward *(Kingston)*
Ewing, Mrs Margaret
Fearn, Ronnie
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Gorrie, Donald
Hancock, Mike
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Kirkwood, Archy
Öpik, Lembit
Sanders, Adrian
Stunell, Andrew
Tonge, Dr Jenny
Webb, Steve

Tellers for the Ayes:
Mr. Bob Russell and
Sir Robert Smith.

NOES

Abbott, Ms Diane
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corston, Jean
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gapes, Mike
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin

Lloyd, Tony *(Manchester C)*
Lock, David
McAvoy, Thomas
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McNamara, Kevin
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Rt Hon Alun
Michie, Bill *(Sheffld Heeley)*
Milburn, Rt Hon Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Raynsford, Nick
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, Rt Hon John D *(Strangford)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vis, Dr Rudi
Ward, Ms Claire
Wareing, Robert N
Watts, David
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. Tony McNulty and
Mr. David Jamieson.

Question accordingly negatived.

Clause 4

POWER TO PROVIDE FOR LAWFUL INTERCEPTION

Mr. Charles Clarke: I beg to move amendment No. 21, in page 6, line 21, leave out from "question" to end of line 24 and insert—

'(d) the situation is one in relation to which such further conditions as may be prescribed by regulations made by the Secretary of State are required to be satisfied before conduct may be treated as authorised by virtue of this subsection; and

(e) the conditions so prescribed are satisfied in relation to that situation.'.

The intention of this subsection is to give effect to mutual legal assistance agreements. However, concerns were raised in Committee that in this part of the Bill there may be a loophole that would allow unwarranted interception to take place in the United Kingdom, perhaps to assist the authorities in another country, without the Secretary of State laying down the conditions in regulations.

Although there was no intention of using this subsection in that way, the amendment will ensure that it has no effect until the Secretary of State makes the regulations that we have always envisaged.

Amendment agreed to.

Clause 5

INTERCEPTION WITH A WARRANT

Mr. Simon Hughes: I beg to move amendment No. 60, in page 7, line 26, leave out "the Secretary of State" and insert "a judge".

Mr. Deputy Speaker: With this it will be convenient to discuss the following: Amendment No. 61, in page 7, line 45, leave out "The Secretary of State" and insert "a judge".

Amendment No. 62, in page 8, line 9, leave out "the Secretary of State" and insert "a judge".

Amendment No. 63, in page 8, line 30, at end add—

'(7) The Secretary of State shall by order set out the procedures by which judges shall be selected for the purposes of this section.

(8) The Secretary shall not make an order under this section unless a draft of the order has been laid before Parliament and approved by a resolution of each House.'.

Government amendment No. 64.

Amendment No. 6, in clause 6, page 8, line 44, at end insert—

'( ) the Chief Executive of the Benefits Agency;'.

Government amendment No. 22.

Amendment No. 1, in page 9, leave out lines 4 and 5.

Government amendment No. 23.

Amendment No. 2, in page 9, line 14, at end add—

'(6) An interception warrant shall not be issued in respect of any application made by or on behalf of a Permanent Under Secretary of State in the Ministry of Defence unless it has been authorised by a Secretary of State other than the Secretary of State for Defence'.

[Mr. Deputy Speaker]

Amendment No. 3, in clause 7, page 9, line 18, after "official" add

'who may not be an official responsible to, or subject to, the direction of the person applying for the warrant.'.

Government amendment No. 27.

Mr. Hughes: It would be unreasonable to say that the amendment breaks new ground. Not only did the Committee discuss who should authorise interception with a warrant; my reading of what was said then shows me that the Minister knew that we had engaged in a similar debate during the Committee stage of the Terrorism Bill, and on the Floor of the House. I was only mildly miffed to note from the report that my hon. Friend the Member for Sheffield, Hallam (Mr. Allan) had done so much better than me in putting the case; I am only sorry that he cannot be here tonight to put it even more wonderfully.

In the debate about who should be able to authorise an interception with a warrant in areas that are clearly important to the public, the interesting question is whether the division of powers means that it is better for the warrant to be issued by a politician—however quasi-judicially he may act—or by a judge. We have argued in regard to this Bill, as we argued in regard to the Terrorism Bill, that a judge should give that authority.

The second sub-debate concerns the sort of judge who should be involved. Having read the report of the Committee debate, I appreciate that a judge picked at random from the whole range of circuit judges, with no particular experience, might not command sufficient confidence. That is why amendment No. 63 suggests that the judge should be

selected for the purposes of this section.

I suggest not only that there should be a panel from which the judge to authorise a warrant for interception is drawn, but that the panel should consist of senior judges. If the Government conceded the principle and we embarked on a debate about what sort of judge should be involved, I would argue that it should be a High Court judge rather than a circuit judge, because an application of this kind is not sought or granted all that often.

8.30 pm

The Government have argued that this should be a political, though quasi-judicial, decision. Although that has not been the unanimous view even of Conservative Members, in Committee the right hon. Member for Penrith and The Border (Mr. Maclean) and others favoured a decision on the part of the Executive, on the basis that the judiciary could then be used to review the Executive's decision. I understand that argument. Our only core reason for believing that appropriately qualified, appropriately senior judges would be better is the fact that they not only are, but are seen to be, independent of political pressures.

We are deciding who should authorise the interception of people's communications and, indeed, the invasion of people's privacy. We believe that, because this will often involve the organ of the state acting on behalf of, and accountable to, Ministers—frequently to the Home Secretary if the intelligence services are involved—it is better to separate the agencies who seek the authority from the person who gives that authority. It is a straightforward case; we have made it before, and I hope that I have made it sufficiently clearly today. It applies to amendments Nos. 60, 61 and 62. Amendment No. 63 both provides for the process by which judges are selected, and provides that the order should be laid before both Houses of Parliament and require a positive resolution procedure.

We welcome amendment No. 64. I understand that the Government tabled it after hearing my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) argue that there was confusion, and a potential conflict of interests, with the original proposal that, in relation to the Ministry of Defence, the decision should be made by a Parliamentary Under-Secretary of State for Defence—a Minister. He argued—and we are grateful to the Government for accepting his argument—that the decision should be made by the head of the relevant service: the Chief of Defence Intelligence. My right hon. Friend spoke on the basis of his experience and as a member of the Intelligence and Security Committee, and we are glad that his suggestion was accepted.

We oppose amendment No. 6, tabled by Conservative Members.

Mr. Heald: Shame!

Mr. Hughes: It is not a shame at all; it is a shame that the amendment was tabled.

There seems to be a dichotomy, a dilemma and a contradiction in the Tory party. The Tories are concerned about excessive powers in the Bill: their reasoned amendment, which we shall debate on Third Reading, puts that case. We have similar concerns—although we do not draw the same conclusions about how to proceed at this stage—but we do not think that the specific additional person who should have power to pry into people's affairs and intercept communications should be someone from the Benefits Agency. Benefit fraud exists, as does tax fraud and other fraud in society, but we must ensure that we authorise clearly, for particular purposes, the interception of communications.

Clause 6 sets out not only individuals and persons who are entitled to make the application in this country—they are the heads of various services: the Security Service, the Secret Intelligence Service, GCHQ, the National Criminal Intelligence Service, the Commissioner of Police of the Metropolis, the Chief Constable of the Royal Ulster Constabulary, other chief constables, and commissioners of Customs and Excise; the head of defence intelligence is added in amendment No. 64—but the heads of the competent authorities elsewhere.

Then we have the debate about whether the Secretary of State should have the power to add or not to add to those people. The Conservative party wants specifically to add the chief executive of the Benefits Agency. Such people are not in the same league as those other people, who work in services that, in essence, are to do with crime and the detection of crime. We believe that that is appropriate as a grouping. It would be inappropriate for the chief executive of the Benefits Agency to be added to that list.

Government amendment No. 22 is a further amendment that we welcome. It follows along the lines of amendment No. 1, which we tabled and which was to leave out lines 4 and 5; the Government proposal is to leave out lines

4 to 9. It is all part of the tightening of the provision at the end of clause 6, which in our view should not allow the Government either to add or to take away at their own instigation the people who should be in that specialist list.

We are grateful again that there has been a move from the Government. We accept that the balance is right. If we are going to ensure that the Government should not have the power to add at their own instigation, of course they should not have the power to take away at their own instigation, either. That matter should come before Parliament. The legislation should be amended if the Government want to make that change.

That deals with Government amendment No. 23, too, which leaves amendments Nos. 2 and 3 and Government amendment No. 27. We have dealt with amendments Nos. 2 and 64, which replace a Permanent Secretary in the MOD with a Chief of Defence Intelligence. Amendment No. 3 is linked with that. Amendment No. 27 is the consequential Government amendment; it follows as a result of the earlier ones.

The net effect of the group is to introduce welcome concessions by the Government, specifically in relation to the MOD and to restricting the power to add and to take away; all that is welcome. There is the other proposal from the Conservative party, about which I have indicated our view and for which Conservative Members, to be fair to them, have argued before. We have been around that circuit. That leaves us with the substantive debate about who is the appropriate body to authorise interception of communication.

It is a matter of confidence. The working of the whole process depends on the authorities doing their job responsibly. Public approbation and confidence depend on the public believing that they trust the people who work the system. People say, "If you are not happy with the system, you can challenge it," but, by the nature of that particular part of public life, people may not know that they have been the subject of an application for a warrant, that a warrant has been issued and that someone has been intercepting communications, whether it be their e-mails, telephone calls or other communication.

It is important to have the maximum confidence in the authorities. Fairly narrow and specific authorisations can be applied for under the legislation; authorisations in relation to communications at home. In relation to communications in this country, people have to apply for a specific purpose, but there are wide-ranging authorisations in relation to communications between countries.

My understanding of the legislation is that, unamended, it will allow a general application to be made that is not specific to, for example, the hon. Member for North-East Hertfordshire (Mr. Heald), the hon. Member for West Lancashire (Mr. Pickthall) or me. However, an application could encompass us all if it has been made, for example, by NCIS in relation to information on drug dealing, or by Customs and Excise in relation to the importation or exportation of drugs. Such an application could be made because an authority believes that a dialogue on such matters is being conducted by mobile telephone, pager or e-mail between people in the United Kingdom and people in another jurisdiction.

Such provision would be worrying, especially as people would not know that their communications are being intercepted unless they are informed of it or accidentally discover it. We believe that it could be made less worrying by ensuring that the person authorising the interception is the most independent authority possible, who could ensure protection of the citizen's rights.

I have never understood the great resistance to the idea—although I understand its logic—that authorisation should require judicial intervention. The United Kingdom has always required police to go to magistrates to obtain a search warrant, to ensure that that invasion of someone's privacy—which may entail breaking down a door, searching documents or stopping someone on the street using extraordinary powers—is authorised by someone who is independent of the investigation and prosecution processes.

As I have gone round this course several times, I sense that the Government will not change their position on the issue. We have had no inkling that they are about to shift on it, and I do not read such a change in the Minister's body language. However, the case for a change has been made as strongly and persuasively in our consideration of this Bill as it has been in our consideration of previous legislation. Even if we do not win the argument today, I hope that we have flagged up the issue for our friends in the other place, and that they will come to the view that an appropriate level of the judiciary, rather than Ministers, should authorise the interception of normal communications between individuals. Whatever else is said about such an interception, it is an invasion by the state of an individual's liberty. It should be done only with the most stringent safeguards.

Mr. Heald: As the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) knows, Conservative Members do not share his view on amendment No. 60—that a judge should decide whether an interception warrant is granted. As we have explained on previous occasions, the Opposition's view is that the Secretary of State—with the unique knowledge that he possesses, and the frequency with which he will be dealing with those issues—is best placed to make that decision. Interestingly, on Second Reading, the chairman of the Intelligence and Security Committee, my right hon. Friend the Member for Bridgwater (Mr. King), very forcefully made the point that Secretaries of State take those responsibilities particularly seriously.

We welcome some of the Government amendments in this group. We certainly welcome Government amendment No. 22, which restricts the list of those who may apply for an interception warrant by removing the catch-all clause 6(2)(k), which provides that an application may be made by or on behalf of

> any such other person as the Secretary of State may by order designate for the purposes of this subsection.

We welcome the concession made in Government amendment No. 23, that the power to remove by order a person from the list should be deleted from the Bill.

We also welcome the Government's decision to change the person responsible for defence-related applications to the Chief of Defence Intelligence. The argument on that matter emerged in Committee and was well made, particularly by the right hon. Member for Berwick-upon-Tweed (Mr. Beith).

Amendment No. 6 seeks to add the chief executive of the Benefits Agency to the list. It is a recognition of the seriousness with which the Opposition view the issue of

[Mr. Heald]

benefit fraud, especially how it should be fought. We say that, in some ways, the Bill does not provide crime fighters with all that they need. The chief executive of the Benefits Agency seems to be the senior official responsible for the detection of benefit fraud and, as such, we believe that he should be included in the list.

Benefit fraud is by far the most substantial crime by value committed in the United Kingdom. The Government say that it is so important that the security services can be involved in the worst cases, investigating organised crime. It is a pity, then, that the Benefits Agency should have to rely on the work of the National Criminal Intelligence Service or others to carry out its function.

When I suggested in Committee that the relevant person should be the Under-Secretary at the Department of Social Security, the Minister said that I was wrong and that the provision should refer to the Benefits Agency—so here it is: how about it?

8.45 pm

Mr. Charles Clarke: I have appreciated throughout our proceedings the jovial and positive spirit of our exchanges.

The intention of amendments Nos. 60 to 63 is to remove the power of the Secretary of State to issue interception warrants and to hand it to the judiciary—specifically to judges selected by the Secretary of State by order.

As the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) acknowledged, the debate has a long history. I hear the arguments urged by those who advocate judicial involvement but, as I have said on several previous occasions, they do not persuade me. This is not only body language: it is words.

I maintain the view that authorising interception involves particularly sensitive decisions that are properly a matter for the Executive. The warrant-issuing process is a key part of the line of accountability from the law enforcement and intelligence agencies to the Secretary of State and then to Parliament.

There is certainly a place for judicial involvement, and that comes in the independent judicial oversight provided by the commissioners and the tribunal, who are there to provide a remedy if the Executive has acted outside its statutory powers. I do not believe, however, that judges can reasonably be expected to make decisions on what is or is not in the interests of national security, or that they are appropriately accountable.

The European Court of Human Rights has endorsed the present practice of Executive authorisation, for example in Christie *v.* UK. In addition, the system was recently endorsed in the latest report of the Interception of Communications Act commissioner, an independent and senior member of the judiciary.

I can assure hon. Members that the present system continues to work well, has safeguards built into it and is subject to judicial scrutiny. I hope that hon. Members will not press the amendments to a vote. If not, I ask my hon. Friends to oppose them.

There is more substantial debate to be had on the matter, but I do not want to detain the House on the point, as we debated it at great length not only in Committee and on Second Reading on this Bill but in Committee and on Report on the Terrorism Bill. I have summarised what I think are the key points.

Mr. Simon Hughes: There is a reasonable concern about one matter with which the Minister has not dealt. When the agency that applies for the warrant is one for which the Secretary of State is responsible, it would appear that both the applicant, and the person applied to, have the same state interest. That would be the most obvious instance of lack of independent adjudication.

Mr. Clarke: As the hon. Member for North-East Hertfordshire (Mr. Heald) said earlier, Secretaries of State of all parties have taken seriously their responsibility to scrutinise such requests for warrants most carefully.

Mr. Hughes *indicated assent.*

Mr. Clarke: I am glad that the hon. Gentleman accepts that, as he did earlier. That scrutiny process is genuine, and I do not believe that judges can reasonably be expected to make judgments on what is in the interests of national security. That is quite properly a matter for the relevant Secretary of State. I understand that other countries have other practices, but we have come to the conclusion that I set out.

I was grateful for the support of Opposition spokesmen on Government amendment No. 64. We have taken seriously the points made in Committee by the right hon. Member for Berwick-upon-Tweed (Mr. Beith) and a subsequent letter from the Intelligence and Security Committee reflecting that discussion. I pay tribute to my right hon. Friend the Secretary of State for Defence for the constructive way in which he has addressed those concerns by agreeing to our proposals.

In relation to the warranty proposals, we have carefully considered how to make it clearer that MOD procedures will possess sufficient checks and balances. I have written to members of the Intelligence and Security Committee explaining how we have sought to deal with that. Government amendment No. 64 proposes that the Chief of Defence Intelligence at the MOD should now be the designated office with authority to apply for an interception warrant. It would then fall to a separate unit within the MOD to process and check the warrant application, as happens for similar applications that go to the Home Secretary and other Secretaries of State. I hope that that solution satisfies the concerns that were raised.

Amendment No. 6 concerns the Benefits Agency. I am grateful to the hon. Member for North-East Hertfordshire for technically correcting his amendment in the spirit of the Bill. However, we have debated the issues already. I do not recall my words in Committee in full, but I said that our objections were not just to the incorrect technical wording but to points of substances. I sympathise with the intention to put proper and appropriate measures in place to combat benefit fraud, but providing the Benefits Agency with the power to apply for, and carry through, interception warrants is neither appropriate or necessary.

If the police wish to intercept a communication, they must apply through the National Criminal Intelligence Service. For that reason, individual police forces are not able to apply in their own right. Similarly, if the DSS is working on a serious fraud inquiry with the police, it can

either apply through the police, via NCIS, for an interception warrant or it can apply to NCIS directly. There is therefore no need for the Benefits Agency to be added to that list in its own right. It does not possess the technical capability to intercept communications and we have no intention of giving it that capability. We have not received a formal request from the DSS or Benefits Agency for them to be considered as an intercepting agency. The hon. Gentleman makes a sincere point that we need to make available whatever powers we can to deal with benefit fraud, but the systems that we have in place are competent to do so. I hope that he will not press his amendment; if he is does so, I urge my colleagues to reject it.

I urge hon. Members not to press amendments Nos. 1 and 2, and hope that they will welcome the Government amendments that we have tabled in their place. I understand that that is acceptable. We have listened to what has been said, so amendments Nos. 22 and 23 remove from the Bill the power of the Secretary of State to designate by order persons to be added to, or removed from, the list of those who may apply for an interception warrant. That goes further than amendment No. 1, which states that the Secretary of State may not by designated order add names to the list only. Government amendment No. 27 is purely consequential.

Amendment No. 2 calls for a Secretary of State other than the Secretary of State for Defence to authorise MOD warrants. Government amendment No. 64 deals with that point adequately.

The intention behind amendment No. 3 is to ensure that the senior official authorised in clause 7 to issue an interception warrant in urgent cases or under international mutual assistance provisions should not be responsible to, or under the direction of, the person applying for that warrant. The amendment is not necessary for several reasons. First, in an urgent case, the Secretary of State has already

expressly authorised the issue of the warrant.

Therefore, it is of no concern who directs the senior official. He is only issuing the warrant after the Secretary of State has already agreed it. Secondly, the other reason for a senior official issuing a warrant is to action a request on international mutual assistance grounds. The amendment does not apply to that case for the simple reason that the senior official is not responsible to, or under the direction of, the competent authorities of a foreign power.

I urge hon. Members not to press their amendments, in some cases because the Government have met their concerns and in others because the concerns expressed are misplaced. If they do press them, I urge the House to reject the amendments.

Mr. Simon Hughes: We accept that Government amendments Nos. 22 and 23 cover amendment No. 1. As the Minister hoped, we are happy to accept Government amendment No. 64, which covers amendment No. 2. I hear what the Minister says about amendment No. 3 and he has a reasonable argument. We may come back to the issue in the other place after reflection.

In relation to amendment No. 60 and the associated amendments, we anticipated that the Government would not budge. I do not propose to delay the House again on a principle about which it has made its view clear on several recent occasions. The Minister acknowledged that judicial authority is given in other countries, and that in some countries the national security consideration can be separated and given to Ministers, while judges deal with other considerations. A third category exists, in which countries have a twin-track authorisation procedure.

I accept that the Minister is right to say that some external approval has been given to the process that the Government have traditionally used, and that it is supported in various quarters.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 6

APPLICATION FOR ISSUE OF AN INTERCEPTION WARRANT

Amendments made: No. 64, in page 8, line 44, leave out paragraph (i) and insert—

'(i) the Chief of Defence Intelligence;'.

No. 22, in page 9, leave out lines 4 to 9.

No. 23, in page 9, line 13, leave out subsection (5).—*[Jane Kennedy.]*

Clause 12

MAINTENANCE OF INTERCEPTION CAPABILITY

Amendment made: No. 24, in page 14, line 41, at end insert—

'(6A) The Secretary of State shall not make an order under this section unless a draft of the order has been laid before Parliament and approved by a resolution of each House.'.—*[Jane Kennedy.]*

Clause 13

GRANTS FOR INTERCEPTION COSTS

Amendment made: No. 25, in page 15, line 28, at end insert—

'( ) It shall be the duty of the Secretary of State to ensure that arrangements are in force for securing that persons on whom obligations are imposed by virtue of an order under section 12 receive, by way of payments under this section, such contributions as he thinks appropriate towards the costs incurred, or likely to be incurred, by them in complying with requirements to provide assistance with giving effect to interception warrants.'.—*[Jane Kennedy.]*

Clause 17

EXCEPTIONS TO SECTION 16

Jane Kennedy: I beg to move amendment No. 49, in page 19, line 4, after "Tribunal", insert—

'( ) any proceedings on an appeal or review for which provision is made by an order under section 58(7);'.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendments Nos. 50, 84 to 86, 51 to 53, 42 and 43.

Jane Kennedy: These amendments all deal with the jurisdiction of the tribunal, but amendments Nos. 83 to 86 relate to the tribunal's jurisdiction in Scotland. The amendments would extend the tribunal's human rights jurisdiction to include any directed or intrusive

[Jane Kennedy]

surveillance, and any conduct or use of a covert human intelligence source, where any of these activities take place in Scotland.

However, I must advise the House of something about which we became aware this morning. At one point, there had been the possibility that a separate Scottish tribunal would be established, but the Scottish Executive has considered the matter and decided to join the tribunal arrangements for the rest of the United Kingdom. The amendments should ensure that a proper avenue of redress is available wherever in the UK any investigatory powers are used.

We have discovered that, to be effective, the amendments require one further amendment, which I believe to be of a minor and technical nature, to clause 56. It has not been possible to table the necessary amendment for today's debate, as the notice was too short, but we intend to table the last in this set of amendments when the Bill is considered in another place. That will ensure that the tribunal's jurisdiction is extended to Scotland, in accordance with the policy agreed here and in Edinburgh.

Mr. Heald: The amendments are not contentious. The Parliamentary Secretary has outlined the technical problem that has been encountered, but the Opposition do not consider that that should delay matters. We hope that the appropriate amendment can be made in the other place.

Mr. Simon Hughes: I, too, shall deal with the Scottish point. I am in no position to disagree with the Scottish Executive: if it has agreed the matter, it must be right.

I have not had an opportunity to be briefed on the development set out by the Parliamentary Secretary, but my hon. and learned Friend the Member for Orkney and Shetland (Mr. Wallace) is the Deputy First Minister in Scotland, with responsibility for this matter there. We have worked with him on those areas of legislation that are devolved to Scotland, on those on which Scotland has allowed the Westminster legislation to be used, and on those about which there is agreement that legislation should apply across the UK. For students of devolution, this Bill has all three options available, and it provides an interesting case study.

However, I have one question for the Parliamentary Secretary. Amendments Nos. 42 and 43 provide for interim rules governing the tribunal, but I am not clear why we need interim rules. There may be a good reason. It struck me that another group of amendments, to be debated later, contain an interim provision. There should be no need for interim rules; it should be possible to have draft rules and then move straight to the formal ones. Amendment No. 43 provides for a 40-day period. I am open to persuasion, but I would be grateful to know why interim rules are being proposed.

I think that amendment No. 52 is the Government's response to some of the concerns expressed in Committee by my hon. Friends, for which we are grateful. We support amendments Nos. 49 and 50.

9 pm

Jane Kennedy: The hon. Gentleman is right about amendment No. 52. Amendments Nos. 42 and 43 relate to the tribunal rules for which clause 60 provides. We had a lengthy discussion in Committee about the order-making powers in the Bill. It is important that the tribunal established by the Bill is able to hear any complaints as soon as the surveillance provisions come into force. For the tribunal to function, rules must be made governing its procedure. They will require parliamentary approval under the affirmative resolution procedure.

The amendments allow such rules to be made by the Secretary of State in the absence of Parliament between the Bill receiving Royal Assent and Parliament reconvening after the summer recess. That is their sole purpose. It is necessary to ensure that the tribunal is functioning when the surveillance provisions come into force before 2 October, when the Human Rights Act 1998 is implemented. Only the initial order and rules could be made without Parliament's approval. They would in any case need to be approved by Parliament, as made clear by the amendments, within 40 days of being signed.

Mr. Hughes: That is entirely logical, but I cannot quite work out the maths. If we break, as we normally do, at the end of July and come back, as we normally do, in October, that means a gap of more than 40 days, even given the date of 2 October, when the Human Rights Act is implemented. Should not the amendments provide for a period longer than 40 days? I am not trying to make the Minister's case for her—I am happy to have a bridging period, but we must get it right.

Jane Kennedy: The hon. Gentleman is right. However, I would not want to presume when the House will rise or reconvene. The hon. Gentleman's point is valid; I will check to make sure that the 40-day period is adequate, but the intention is quite clear in the amendments.

Amendment agreed to.

Clause 18

OFFENCE FOR UNAUTHORISED DISCLOSURES

Amendment made: No. 36, in page 21, line 44, leave out "authorised–" and insert—

'confined to a disclosure made to the Interception of Communications Commissioner or authorised—

( ) by that Commissioner;'.—*[Mr. Betts.]*

Clause 21

OBTAINING AND DISCLOSING COMMUNICATIONS DATA

Mr. Heald: I beg to move amendment No. 14, in page 23, line 45, leave out from "health" to end of line 3 on page 24.

Mr. Deputy Speaker: With this it will be convenient to discuss amendment No. 58, in page 24, line 21, at end insert—

'( ) Communications data obtained on grounds falling within those specified in subsection (2) shall not be subsequently used or disclosed for any other purpose.'.

Mr. Heald: The amendment deals with the purposes for which communications data may be obtained. Many

commentators in the industry and individuals who have contacted me have made the point that clause 21 is a wide provision—especially subsection (2)(h), which provides that the Secretary of State may specify any purpose for obtaining communications data and goes beyond what is reasonable or in the Government's interests.

Great concern has been expressed about the very wide terms of clause 21. It is believed that, when taken with clause 24(1)(f)—which provides that the Secretary of State can specify any public authority as designated for the purposes of obtaining communications data—any public authority could obtain communications data for any purpose. Such matters would obviously be subject to an element of scrutiny, but the uncertainty of the position has created concern, especially among City institutions. I do not believe that the Minister is uncertain about what he wants to achieve, so it seems a pity that he has not nailed his colours to the mast by saying what the purposes are, as he has done in clause 6, in which he has been prepared to list those who may apply for an interception warrant. Why not list the purposes without adding the catch-all?

Friendship tree technology exists today—one can learn a lot on these Bills, Mr. Deputy Speaker. If one has enough communications data, one can use that technology to find out in tremendous detail who communicates with whom. One can find out all sorts of interesting information about a person's life. It is an invasive form of investigation, not just a matter of finding out who telephoned whom and when, but of finding out in great detail about their internet communications and a range of other communications.

That is a valuable tool if used against a serious criminal, but the danger is that it will be used against others. If City institutions fear that they will be subject to it, there will come a point when we lose the benefits because the industry will not function effectively. Vodafone, one of the leading players in the field, has expressed concerns, saying that the underlying assumption is that communications data access represents a lesser intrusion into the rights of privacy than interception does. That is not necessarily true.

Verification is also a concern, as I have said before. Verification of a request for communications data is important, and the protections that we have already discussed must be provided. Finally, I cite again what Philip Virgo said in his e-mail, which was copied to the Minister. He wrote:

> Most of the City institutions do not appear particularly concerned by the Human Rights issues. Their main concern is over the uncertainty as to who will have what rights of access to their data and communications and the risk of criminal access under guise of a warrant or via the law enforcement agencies themselves.

He also points out that all organisations have occasional bad apples—people who do not live up to the standards of the institution. That is as true of law enforcement authorities as it is of any other organisation, although one would hope that they would take great steps to avoid it. These things happen, and City institutions, in which secrecy and confidentiality of information is of the utmost importance, see giving information to the security forces or any law enforcement agency as a security risk.

We need proper protections. Saying that communications data may be obtained for any purpose that is specified by any public authority that the Minister chooses to designate simply is not good enough. We ask the Minister to think again.

Mr. Harry Cohen (Leyton and Wanstead): Amendment No. 58 is linked with amendment No. 14, which was so well moved by the hon. Member for North-East Hertfordshire (Mr. Heald). He was right to point out the importance of communications data and the invasive nature of its collection, analysis and use—or misuse. I pay credit to the hon. Gentleman for what he said.

My probing amendment states that communications data

> obtained on grounds falling within those specified in subsection (2) shall not be subsequently used or disclosed for any other purpose.

I want to explore the extent to which communications data collected for one purpose could subsequently be used for another. In Committee, my hon. Friend the Minister stated that such communications data cannot be used for other purposes, such as council tax and the collection of vehicle excise duty. I am not so sure about that—as I shall explain to the House.

Let us suppose that the police obtain communications data, subject to proper authorisation procedures, codes of practice and other notices required by the Bill. Under section 29 of the Data Protection Act 1998, a disclosure from the police can be made if they are satisfied that the failure to disclose would prejudice

> the collection of any tax or duty or of any imposition of a similar nature.

During the debates on that measure in 1998, it was held that that provision included council tax and vehicle excise duty.

If the police obtained communications data in accordance with chapter II, there would seem to be nothing to stop them—at a later stage—volunteering the data, by virtue of section 29 of the 1998 Act, for example, to local authorities for the collection of council tax, to the Driver and Vehicle Licensing Agency or, of course, for use by the Inland Revenue or Customs and Excise. As far as I can see, that is lawful; it is permitted under section 29 of the Data Protection Act. If my interpretation of the law is wrong, I hope that my hon. Friend will tell me clearly, so that my concern can be put to rest.

What is more likely is that another Department will be able to exercise powers to demand communications data from the organisation that obtained them. For instance, I am sure that other legislation covering the operations of the Inland Revenue, the Department of Social Security, the immigration authorities or Customs and Excise would permit a demand for such data. Indeed, under the previous Conservative Government, the immigration authorities required local authorities to provide them with such information.

I thus conclude that it is possible for communications data to be demanded for other purposes after its collection—if that is permitted by other legislation. However, if I am wrong, I hope that the Minister will state clearly that no other legislation would require such subsequent disclosure. If the Minister cannot provide that assurance, I must conclude that such further use is a possibility and is legal.

[Mr. Harry Cohen]

If I am correct, the authorisation process in chapter II would be irrelevant to the protection of privacy, because communications data could be volunteered to, or demanded by, other bodies at a later stage. An official could legitimately authorise collections of communications data and keep proper records only for them subsequently to be used for another purpose. If that is true, the relevant commissioner, who examined the authorisation process, would not know of such disclosures; nor would the telecommunications operator or the public. To put it bluntly, the whole authorisation process and all the protections afforded by chapter II could be reduced to a meaningless sham, because there would be no record of subsequent disclosures as part of the authorisation process.

That is an unacceptable prospect—hence my probing amendment. Its purpose is to stop any subsequent use that was not authorised at the time of the collection of the communications data.

In Committee, I expressed a difference of view with the Minister on communications data. He seemed to regard the matter as being not particularly important—certainly in respect of other forms of data and information collected. There is a danger that he and the Government are being too casual about communications data. There is potential for misuse and there should be proper controls.

9.15 pm

Mr. Simon Hughes: I am grateful to the hon. Members for North-East Hertfordshire (Mr. Heald) and for Leyton and Wanstead (Mr. Cohen) for raising this important subject and for giving us the opportunity to have a short and important debate on it.

I shall discuss the issues in the order that they were raised. Liberal Democrats are sympathetic to amendment No. 14, which was moved by the hon. Member for North–East Hertfordshire. It would remove the general additional justification for the acquisition of communications data.

As the hon. Gentleman spoke, I reflected on a thought that I have had before. It is generally accepted that the acquisition of data on patterns of communication can be as intrusive as the interception of the communication itself. For example, the interception of a letter or a telephone call might, in a sense, be no worse than someone knowing whom one phones and how often one does that. If that process is carried out illegitimately, it is a modern form of stalking. Someone's telecommunications movements can be followed in the same way as someone else's physical movements are followed. That can be equally threatening and oppressive.

The tracking of telecommunications movements can be carried out comprehensively. In one of my meetings with the police since becoming Liberal Democrat home affairs spokesman, I examined how they do that for the perfectly proper purpose of criminal investigation. They monitor dealings between persons A and B who might be plotting or arranging a meeting to hand over illegal goods or imported drugs. Every phone call and communication will be monitored. The methods used to get round the monitoring are becoming ever more imaginative, but technology continues to catch up. It is important that the police have the power to monitor communications, and that is why our general premise from the beginning was to support the Bill. However, not just the interception of communications, but the management and control of that interception must be brought within the framework of legislation.

We welcome the proposal that data should be collected only if that is justified by the seven specific grounds in clause 21. We should not provide for the general and completely unqualified ground that is outlined in subsection (2)(h). It is worth noting that clause 5 does not give such a wide power to Secretaries of State or to those who grant warrants on the interception of data. Although it provides a more general provision to cover the protection of national security, the detection or protection of serious crime or to safeguard the economic well-being of the United Kingdom, it qualifies that power. Subsection(3)(d) states:

> for the purpose, in circumstances appearing to the Secretary of State to be equivalent to those in which he would issue a warrant by virtue of—
>
> a crime prevention or detection provision—
>
> giving effect to the provision of any international mutual assistance agreement.

Although that is a wide power, it is not unlimited in the same way as the power in clause 21.

On amendment No. 58, which was tabled by the hon. Member for Leyton and Wanstead, it is right, in principle, to make sure that information obtained, for example, for the prevention or detection of crime or in the interests of public safety should not be generally available so that it can be shipped from one agency to another. The hon. Gentleman's remarks were considered and cautious when he said that it was a probing amendment and it is worth raising the issue at this stage. However, if he and the House are not satisfied by the Minister's reply, we or the other place should consider returning to the subject later. It is important that there is a specific power that authorises the interception of communications only for a specific purpose. Once we have obtained information, we should not allow it to be passed around the system.

I have a question for the Minister about a matter that was not dealt with earlier. I am not aware that the various notices that can be applied for, and which we debated when we dealt with part III, are legally time limited and therefore automatically lapse after a certain period. That issue is related to the implications of the amendment in the name of the hon. Member for Leyton and Wanstead. If we introduce a power to acquire information, we should not only prevent it from being used for any purpose but make sure that it is not given indefinitely and that there is a requirement to have it renewed.

Where in the Bill is there a provision to end the power given by a warrant or other measure? If there is no such provision, does not the Minister consider that we ought to amend the Bill to limit the duration of a power, in the same way that search warrants and other warrants obtained by the police are time limited?

Mr. Charles Clarke: Before I respond to specific points, I must comment on the quote from Philip Virgo given by the hon. Member for North-East Hertfordshire (Mr. Heald). Mr. Virgo's e-mail said:

> On Thursday I attended a City event and had my ear bent as to why the debate on the RIP Bill was on the Civil Liberties issues with little/no mention of the threat to the UK position in international business-to-business e-business and the City Institutions and Large Multinationals who—

he claims—

> are quietly moving . . . operations out of the UK to avoid being caught by the Bill.

I emphasise, as I have tried to do throughout these debates, that any perception that we are concerned only with civil rights issues, and not with e-commerce business issues, is wrong. We have sought to address a wide variety of issues with many contacts, including the European Informatics Market.

The hon. Member for North–East Hertfordshire quoted Mr. Virgo's statement that

> Most of the City institutions do not appear particularly concerned by the Human Rights issues.

I do not agree. City institutions generally are concerned about human rights issues, and obviously have different views about how they should be addressed. I want to put on the record the fact that the Government do not accept Mr. Virgo's assessment, first, of the debate in general and, secondly, of the importance of human rights issues to commercial organisations.

Mr. Heald: The Minister will agree that throughout the proceedings on the Bill, there has been considerable discussion of the position of business and the way in which it is influenced—I have gone on about that a lot. Does the Minister have any evidence in connection with Mr. Virgo's point about companies leaving the UK?

Mr. Clarke: None at all. I have heard that assertion only from Mr. Virgo. It would be of concern if it were true, but we do not have evidence of that. Obviously, we consider issues of the overall commercial environment with colleagues from the Department of Trade and Industry. The reverse of the assertion is true: the regime that we are establishing will increasingly be seen as one that strengthens e-commerce, rather than weakens it, because it strengthens public confidence in the whole of e-commerce.

Amendment No. 14 is an attempt to restrict the purposes for which communications data may be required from eight to five. That matter was fully debated in Committee, but I am happy to restate the main reasons why we need to retain the three purposes in question. Clause 21(2)(f) includes the purpose

> of assessing or collecting any tax, duty, levy or other imposition,

and so on. That is a reflection of section 29(4) of the Data Protection Act 1998, and although not used extensively, it is currently used by agencies such as Customs and Excise to investigate the shadow economy.

An example of a situation in which such a provision is used is when flyers promising cheap cigarettes or tobacco, and giving a phone number to call, are pushed through letter boxes. An investigation at that early stage may very well not be a criminal investigation, but merely to ascertain whether the supplier had a tax liability. Another example is that of a tradesman who advertises in a newspaper, but is not VAT registered. If he earns enough to advertise, the chances are he is close to the VAT threshold and might have a tax liability, but an investigation would not necessarily be a criminal investigation.

The second purpose, set out in clause 21(2)(g), is that of

> in an emergency . . . preventing death or injury or any damage to a person's physical or mental health.

In Committee, I gave an example of a case in which that might apply: a child telephones the emergency services to say that a parent has collapsed, but is unable to give the address. I agree that such cases do not often occur, but they are important. I emphasise that the whole purpose of the Bill is to extend the protection of the European convention on human rights.

The most serious of the three points relates to clause 21(2)(h), which contains the broadest framework, starting with the words "for any purpose". Although I accept that that provision means that new purposes could be added fairly easily, I should like to make two points. First, we are dealing with a new area of legislation and, despite all the effort that my colleagues and others have put into the Bill, we are still not absolutely certain that the existing purposes cover everything which may be required. It is possible that the purposes will have to be extended in future, especially if other Government Departments apply to be subject to those provisions, rather than relying on the Data Protection Act. However, I stress that the Government have absolutely no plans to do that at present. My second point should reassure anyone who believes that subsection (2) gives the Government a blank cheque. It does not, since any new purpose would, of course, be limited by article 8 of the European convention on human rights; that imposes a serious restriction.

If I gave my hon. Friend the Member for Leyton and Wanstead (Mr. Cohen) or any other member of the Committee the impression that I do not consider communications data important, I did so inadvertently: I believe that such data are important. However, during our discussion in Committee of the hierarchy of intrusion of different forms of data collection—including someone standing in one's front room, someone listening to one's phone conversations and so on—I suggested that the collection of communications data is not as individually intrusive as some of the other forms of surveillance. I firmly believe that communications data are important, and if I gave the contrary impression in Committee, I correct it now.

The amendment would restrict the purposes for which communications data may be used or disclosed to purposes for which it may be required under the Bill. Although the Bill does not address that particular issue, we believe that to a large extent, the purpose of the amendment is met by the Data Protection Act. My hon. Friend made that point in Committee. Several of the data protection principles are relevant, especially the second principle, which is that

> personal data shall be obtained only for one or more specified purpose, and shall not be further processed in any manner incompatible with that purpose or those purposes.

Processing includes using or disclosing. That clear principle offers protection.

I do not believe, therefore, that there is any need to add further restrictions on the use or disclosure of communications data, although I perceive the merit in explaining the relevant data protection principles in the code of practice to ensure the proper handling of communications data. The Government accept the principle that data should be used only for the specific purpose for which they are collected.

It is true that there is an exemption for national security under the Data Protection Act. However, each of the three security and intelligence agencies is bound by statutory

[Mr. Clarke]

arrangements under the Security Service Act 1989 and Intelligence Services Act 1994. Those arrangements mean that they may not disclose material that they have obtained except for the purpose of properly discharging their functions, or for the purpose of criminal proceedings. I hope that I have now responded adequately to the points that were clearly made and well put by my hon. Friend the Member for Leyton and Wanstead, and that he draws comfort from my remarks.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) asked about the question of time—an interesting and characteristically existential point. I have no detailed answer to offer, but I believe that we discussed that point in Committee when, if memory serves, the hon. Member for Sheffield, Hallam (Mr. Allan) raised it. I shall write to the hon. Gentleman if he wants me to, but I believe that data are collected for a specific purpose, not for a specific period of time; the key question is what period of time is appropriate for that purpose. As I said, we debated the matter at length in Committee, and I shall not repeat what I said there on the hon. Gentleman's final point. I shall write to him further if my remarks have been misleading.

9.30 pm

Mr. Simon Hughes: I, too, stand to be corrected, especially in relation to part III and clause 47. I understand that there may still be an unanswered time question.

With regard to the amendment tabled by the hon. Member for Leyton and Wanstead (Mr. Cohen), did the Minister say that the Data Protection Act 1998, rather than any code or subsidiary legislation, was clear about all such matters? I would be troubled if it were suggested that something other than legislation were being prayed in aid as a higher authority than the Bill, which will become law.

Mr. Clarke: I believe that the Data Protection Act 1998 is clear. That is why I quoted the data protection principle established in it. I believe that it is compatible with other legislation, including the Bill. It is incumbent on us to explain the relevant data protection principles in the code of practice, to make them clear to everyone.

I hope that on that basis, the hon. Member for North-East Hertfordshire and my hon. Friend the Member for Leyton and Wanstead will withdraw their amendments.

Mr. Heald: We are not entirely satisfied, but I do not intend to press the amendment to a Division. The matter may be raised again in another place. Accordingly, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 29

PERSONS ENTITLED TO GRANT AUTHORISATIONS UNDER SS. 27 AND 28

Mr. Maclean: I beg to move amendment No. 59, in page 31, line 39, leave out subsection (4) and insert—

'(4) In subsection (1) "relevant public authority" means any of the organisations listed in Schedule (*Relevant public authorities*).

(4A) The Secretary of State may by order add any other public authority to Schedule (*Relevant public authorities*).

Mr. Deputy Speaker: With this it will be convenient to discuss the following: Government amendments Nos. 40, 41, 65 and 45.

Amendment No. 5, in page 47, line 11, leave out Clause 44.

Government amendments Nos. 46 to 48 and 44.

New schedule 2—*Public Authorities Designated for the Purposes of Sections 27 and 28*—

'RELEVANT PUBLIC AUTHORITIES DESIGNATED FOR THE PURPOSES OF SECTIONS 27 AND 28

Public Authority	Directed Surveillance	Use of Covert Sources
Police forces, including:	✓	✓
British Transport Police	✓	✓
Ministry of Defence Police	✓	✓
Service Police	✓	✓
National Crime Squad	✓	✓
National Criminal Intelligence Service	✓	✓
HM Customs & Excise	✓	✓

Public Authority	Directed Surveillance	Use of Covert Sources
Security Service	✓	✓
Intelligence Services (Secret Intelligence Service, GCHQ)	✓	✓
Ministry of Defence/Armed Forces	✓	✓
Home Office: Prison Service	✓	
Immigration Service	✓	✓
Department of Social Security: Benefits Agency	✓	
Inland Revenue	✓	✓
Department of Health: Medical Devices Agency	✓	
Food Standards Agency	✓	
Medicine Control Agency	✓	
High Security Hospitals	✓	
NHS Estates	✓	
NHS Fraud	✓	
Royal Pharmaceutical Society	✓	
Department of Trade and Industry: Radio Communications Agency	✓	
Export Services Directorate	✓	
Post Office	✓	
Department of the Environment, Transport and the Regions: Transport Security (Transec)	✓	
Vehicle Inspectorate	✓	✓

Public Authority	Directed Surveillance	Use of Covert Sources
Environment Agency	✓	✓
Ministry of Agriculture, Fisheries and Food: Sea Fisheries Inspectorate	✓	
Centre for Environment Fisheries & Aquaculture Science (CEFAS)	✓	
Veterinary Laboratory	✓	
Veterinary Medicines Directorate,	✓	
Farming & Rural Conservation Agency	✓	
Central Science Laboratory	✓	
Pesticides Safety Directorate	✓	
Meat Hygiene Service	✓	
Health and Safety Executive	✓	
Serious Fraud Office	✓	✓
Financial Services Authority	✓	✓
Local authorities (as defined in Local Government Act 1999)	✓	

Mr. Maclean: Amendment No. 59 attempts to put straightforward honesty and openness into clause 29, and to comply with the normal parliamentary conventions.

We had an interesting morning in Committee when we considered clause 29, which deals with persons entitled to grant authorisations under sections 27 and 28—the sections covering directed surveillance and covert surveillance. We were innocuously going through the clause, and when we reached the part that stated that the people with the power would belong to "relevant public authorities", we saw which public authorities were listed.

There were the big boys—the heavy players that we would expect to have powers of directed surveillance and covert surveillance. They are the same as those with which we had dealt earlier, which also have the power of intrusive surveillance—police forces, the National Criminal Intelligence Service, the National Crime Squad, the various intelligence agencies, the Ministry of Defence, any of Her Majesty's forces and, of course, the VAT man, the commissioners of Customs and Excise.

The clause went on to add:

> any such public authority not falling within paragraphs (a) to (g) as may be specified for the purposes of this section by an order made by the Secretary of State.

All my hon. Friends and I—and, I think, almost everyone in the Committee Room—assumed that the wording of that subsection, referring to any other public authority, was designed so that if the Secretary of State had missed out one little authority in the foregoing list, or if NCIS had changed its name, or the National Crime Squad had

amalgamated with NCIS, as may be on the cards, or there were some other changes, he could use that order-making power to redesignate one of the big criminal investigation agencies listed in the Bill. That is the normal purpose that we expected, and the normal procedure in legislation.

Perhaps by a little accident, more information began to be revealed. I asked the Minister to reassure me that the sandwich police at the Department of Health would not have those powers. We were all rather amazed when the Minister briefly said that the sandwich police at the Department of Health would indeed have powers of directed surveillance and the use of covert sources.

It was a Thursday morning, and you will know, Mr. Deputy Speaker, how bad Thursday mornings are for maximum performance. However, at that point many of us began to wake up and realise that there might be more to the apparently innocuous little clause than met the eye.

We asked the Minister to reassure us that the Ministry of Agriculture, Fisheries and Food vets, and the inspectors who count my farmers' sheep, would not be included under the same clause as the National Criminal Intelligence Service, MI5, MI6 and the big boys. The Minister was forced to tell us that MAFF inspectors were included. We had a long debate in Committee as we tried to tease out what was going on in subsection (4)(h).

There seems to be a breach of normal parliamentary convention. It is acceptable for the Government to include an order-making power in the Bill if the Secretary of State has not decided what the orders will be, or if he knows that he will have to make an order at some future date, but the subject is not yet certain. However, the Government know exactly what they want to cover. The Minister, in his usual courteous and helpful way, followed up the debate in Committee with a letter.

New schedule 2 contains the substance of the letter. At the beginning of it, the Minister mentioned the organisations listed in the clause, including the National Crime Squad, the intelligence services and so on. He mentioned two other Home Office agencies—the Prison Service and the immigration service. He also listed the Department of Social Security, the Inland Revenue and seven different organisations in the Department of Health that required powers of directed surveillance. The latter included one organisation—the welfare foods section—that I omitted from new schedule 2 because it does not need such powers. I should like to hear the Minister's justification for its inclusion.

The list also includes the Royal Pharmaceutical Society, three organisations in the Department of Trade and Industry, three organisations in the Department of the Environment, Transport and the Regions, and nine organisations in MAFF. We can understand the need to include the Meat Hygiene Service. I used to run the Pesticides Safety Directorate; I therefore understand the reasons for its inclusion. However, my list omits the egg inspectorate. Irrespective of the powers that MAFF, in its wisdom, believes that it needs, the egg inspectorate should not be listed in the same clause as MI5, MI6 and the National Criminal Intelligence Service. I am sure that Edwina Currie would have reached the same conclusion.

Other organisations in MAFF, too, have the power of directed surveillance, and want the Secretary of State to make an order. The Intervention Board for agricultural produce wants that power. The Health and Safety Executive, the Serious Fraud Office, the Financial Services Authority, and various local authorities as defined in the Local Government Act 1999, are also on the Minister's list.

Thirty-two other agencies of Departments want to be included in subsection (4)(h). The clause currently includes the big boys—that is the best collective name for the police force, the National Criminal Intelligence Service and the security services. As soon as we pass the clause that lists them, the Secretary of State will place an order before the House that lists 32 other agencies of Departments, which want the same power as the six big boys.

Why play the game of listing some organisations in the Bill and including the others through order-making procedures? The Government know which organisations they are. The Government claim that they already use the powers for which the clause provides. I accept that the egg inspectorate does not wish to take new, draconian powers. It apparently already has the power to undertake directed surveillance. I was never in charge of the egg inspectorate, so I never used those powers. I used others, but not those.

I appreciate that some of those departments need such powers. They can all probably make a valid argument for having them; it is legitimate to exercise the powers for directed and covert surveillance involving the lion mark for eggs, meat hygiene and all the other valid subjects. I could easily deal with the funny ones, but many important matters are involved, such as serious fraud, veterinary and human medicines and so on. It is legitimate to exercise those powers now and it was apparently legitimate to have them under previous Governments, so let us not be too embarrassed about including them in a schedule.

We should not pretend that under clause 29, only important state agencies such as the National Criminal Intelligence Service, the National Crime Squad, the police, MI5, MI6 and GCHQ will be given the power to undertake directed and covert surveillance. The Government should have the guts to say that in addition, there are good reasons why other organisations, including the Department of Social Security, the NHS fraud office, NHS Estates, Rampton and Broadmoor high security hospitals, the Radiocommunications Agency, the coal health claims unit, the Environment Agency and the Vehicle Inspectorate should have those powers.

The Government intend to list those bodies. They and the Minister, very decently, have published the list, so let us put it in a schedule and make a clean breast of it. My amendment, which may not be perfectly technically correct, states that the Home Secretary may add more bodies or another Department that is discovered to need such powers. I pay tribute to the Minister for writing to all Departments and trying to winkle them out. They have all been using those powers since the year dot—the coal health claims unit since the last century but one, no doubt. He has tried to pull them together into a comprehensive whole, and has winkled out from them the powers that they have and those that they think they must continue to have.

It would be helpful if those bodies were included in a schedule, together with a power to add others as and when the Home Secretary concludes that another inspectorate of the department of little widgets and big sausages requires such powers as well. There would be no harm in

[Mr. Maclean]

that, as that is how we normally do things in this place. If the Government have a list of organisations that require a certain power, we usually include them in a schedule. We do not want to put them in a clause, as that would require changes to be made should the Home Secretary need to add other bodies.

We know, and the Government know, what they will do the second the Bill is passed. Let us be absolutely honest and up-front. One can mock the egg inspectorate of MAFF. No doubt next week I shall receive a briefing note stating why it must have such draconian powers to inspect our sunny-side-ups. Although it is legitimate to have the powers, if the Minister defends them at the Dispatch Box, as I hope he will, let him say that they will be included in a schedule, both so that everyone can see what they are and why bodies have them, and so that they can be amended easily if necessary.

Mr. Heald: I support my right hon. Friend the Member for Penrith and The Border (Mr. Maclean), who put his case with his customary lucidity and succinctness, by saying that the Minister must answer.

Mr. Simon Hughes: The right hon. Member for Penrith and The Border (Mr. Maclean) does the House a service by referring to an issue with which we have dealt three times this year in Home Office legislation. A similar matter arose when we considered the Freedom of Information Bill, which ended up including pages of organisations because someone believed that it was important to set out who was governed by the provisions. When the Race Relations (Amendment) Bill was considered in Committee, the Government were persuaded to include a general duty to promote good race relations, although they decided that it would be useful to include a schedule of public authorities that would be governed by it. The right hon. Gentleman makes the case very well as to which authorities, at least at the starting point of the legislation, are to be governed by the provisions. They know, we know and everyone else knows who they are, but the Government must justify putting them on the list, and if they are embarrassed perhaps that is a reason for particular organisations' being removed from the list. I hope that the Government will respond positively on that.

9.45 pm

Government amendments Nos. 46 and 47 are a partial answer to our amendment No. 5, which is to bring to the House's attention the need to get rid of what could reasonably be called a Henry VIII clause—the catch-all provision allowing Ministers to do pretty well anything under part II.

Earlier I owned up to the fact that, having not been on the Committee, I had not followed all the twists and turns of the debate. Part II sets out different procedures for directed surveillance, intrusive surveillance and covert human intelligence. The purpose of the Bill is rightfully to bring new forms of surveillance under the Human Rights Act 1998 and legislation before Parliament.

Clause 44 allows the Secretary of State by order to shift the rules that apply to directed surveillance and suddenly to apply them to intrusive surveillance. Rules that at one moment apply to surveillance that is not defined as directive or intrusive will be applied to surveillance that is so defined.

My understanding from people who know about these matters is that the boundaries are shifting, and it is illogical to believe that it is right in legislation tightly to categorise directed or covert surveillance. A person who taps in to someone's online bank account may be involved both in covert surveillance and, in almost the same exercise, in intrusive surveillance. It may be better to be honest and say that the categories are wrong. It may be that having different rules and procedures for different types of surveillance covered by part II is an over-prescriptive approach.

We are grateful for Government amendments Nos. 46 and 47, which take out clause 44(1)(c) and thus reduce the number of alternatives to three. In our view, it would be far better to remove clause 44 altogether. Even better than that, we should think again about how we subdivide the different forms of surveillance in part II. Surveillance must be included—we are not arguing against that proposition—but technology will make the boundaries much less rigid, so we are taking the wrong approach.

The issue from the citizen's point of view is not the form of the communication that is being watched, but the fact that they are the subject of that intrusion into their privacy. A more citizen-centred definition and approach in the legislation that took account of circumstances in which the citizen's rights to privacy could be infracted might be better than approaching the law by type of intrusion. I hope that the Minister can be positive on the general case, as well as on the specific amendment to clause 44.

Mr. Charles Clarke: I commend the right hon. Member for Penrith and The Border (Mr. Maclean) for the entertaining and powerful way in which he put his case, as he did in Committee, although I did not concede the existence of the sandwich police in the royal parks. He put his case wittily and effectively.

I think that the right hon. Gentleman acknowledges that we have been open about the public authorities that are likely to use these powers. We are not trying to hide the details; indeed, we believe that there has been a great benefit in publicly identifying the public authorities that use covert investigative techniques and ensuring that their use is properly regulated and controlled, with the same standards applied across the different authorities.

Let me remind the House of the two key purposes of this part of the Bill. We acknowledge that we are simply considering the powers that currently exist—the right hon. Gentleman was kind enough to acknowledge that, too. It is for other legislation, and for other consideration, to determine whether the powers should or should not exist for each of the agencies, and there is an argument to be had in relation to any of them, whether they involve eggs, ice cream or anything else. Where they exist, however, the purpose of the Bill is to ensure that they are covered and are compatible with the European convention on human rights. In the Bill, we are taking a step to bring into the public arena what was not in it previously, and I hope that the right hon. Gentleman will give us credit for that.

As the right hon. Gentleman knows, I am not unsympathetic to the idea of a schedule, although—as he acknowledged—the proposed schedule is defective,

because it does not include all the public authorities that have to date indicated their wish to continue their use of these techniques. The right hon. Gentleman explained why he had removed some of them. I was not aware that he had such an antipathy to Edwina Currie, but I am interested to discover yet another split within the Conservative party.

Although I will give further consideration to naming the public authorities in a schedule, I am not in a position to do so now, because—this is within the parliamentary convention referred to by the right hon. Gentleman—we are currently discussing with our colleagues in Scotland which functions of the named authorities are reserved and which are devolved. Depending on the outcome of those discussions, the use of the powers by some authorities in Scotland may need to be covered by a Bill to be introduced shortly in the Scottish Parliament. That would affect the shape and content of any schedule or order provided for in this Bill.

I will, however, give the right hon. Gentleman a commitment now. We are seeking agreement with the Scots over the period of the Bill's passage in order to publish a schedule of the type that the right hon. Gentleman wants, because we think that the reasons he has given are powerful. I cannot promise him that we will secure agreement with the Scottish Parliament in time, but we positively seek to do so, both in order to resolve matters and in order to provide information in the form that he recommends. It is not an easy process, and I am grateful to the right hon. Gentleman for being generous enough to acknowledge the work that has gone on in my Department—a Department with which he is familiar—to secure an understanding throughout Whitehall of what is happening, and the progress that is being made. Although, as I say, the process is not easy, it has already brought a lot of information into the public arena—but we are committed to bringing yet more into that arena. I hope that the hon. Gentleman will consider withdrawing his amendment on the basis of my assurance.

None of us knows how the courts will respond to challenges made under the Human Rights Act after October. After lengthy consideration and discussions with the police and others, we have come up with definitions of surveillance that we believe will satisfy the requirements of the convention, but, as was said earlier, it remains the case that the courts may decide that we have got the balance wrong. Clause 44 will allow us to make certain changes to the provisions, with Parliament's agreement, if we have got it wrong. It will, for example, enable something that we currently consider to be directed surveillance to be treated as intrusive surveillance; or, if we need to take account of future technological advances, it will enable us to provide that part II can apply to an activity that is currently not mentioned.

However, we noted the concerns raised in Committee, and therefore agreed to remove the provision allowing redesignation to take place. The clause will now only allow for a strengthening of the provisions, so that activities not currently covered can be covered, and directed surveillance can be redesignated intrusive surveillance. I hope that Members will agree that our amendments strengthen the existing provisions, and will not press amendment No. 5 to a Division.

Amendments Nos. 40, 41 and 44 would allow the necessary orders and rules to be made by the Secretary of State. Clause 39 provides the Secretary of State with an order-making power to allow public authorities not currently named to apply for an authorisation. It seems right that we should make that change, which is proposed in amendments Nos. 45 and 48.

Mr. Maclean: I am grateful to the Minister for his customarily courteous speech, and for acknowledging that there is some merit in the amendment and new schedule. Although it was easy to make fun of the egg inspectorate of MAFF, I was concerned that the Minister might conclude that the substance of my remarks was just a yolk, so to speak. It was not. I was going to say that, if the hon. Gentleman could not accept the new schedule tonight, by the time the Bill went to the other place, their lordships might conclude that clause 29 was rather a scrambled mess, might be more hard boiled than we are in this place and might insist that something be done—although I think that I should desist from that line of argument.

I am grateful to the Minister for acknowledging that he is willing in principle to go down the route on to which I have tried to force him. I appreciate the difficulty that he is in. I know how difficult it is to deal with the Scots. He has my complete sympathy in that regard. I only hope that, by the time the Bill gets to the other place, progress will have been made in sensitive discussions with the Scots and the Scottish Parliament, so that he is able to set the provision out in schedule form. Otherwise, I suspect that their lordships will wish to force his hand and do that in any case, although I am grateful for his comments. I therefore have no hesitation in saying that I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Remaining Government amendments agreed to.

Order for Third Reading read.

Madam Speaker: I have selected the amendment in the name of the Leader of the Opposition.

9.59 pm

Mr. Charles Clarke: I beg to move, That the Bill be now read the Third time.

It being Ten o'clock, the debate stood adjourned.

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),

That, at this day's sitting, the Regulation of Investigatory Powers Bill may be proceeded with, though opposed, until any hour.—*[Mr. Betts.]*

Question agreed to.

Question again proposed, That the Bill be now read the Third time.

Mr. Clarke: The Bill is a major advance for the United Kingdom's legislative system. It advances coverage of the European convention on human rights to a range of activities conducted by the state. It is important to ensure that we are able to update our actions in relation both to human rights and to technological processes. The Bill gives citizens rights that they have never had before in relation to surveillance by the state. It gives me great pleasure to move Third Reading, to which I hope that the House will agree.

10.1 pm

Mr. Heald: I beg to move,

That this House, whilst agreeing with the Government's intention to provide and regulate investigatory powers, declines to give a Third Reading to the Regulation of Investigatory Powers Bill, because it fails to give crimefighters the powers they need, imposes unspecified and potentially costly burdens on Internet service providers without adequate protection against over-regulation and creates an offence repugnant to justice.

At the outset, on Second Reading, my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) made it clear that the Opposition were concerned about many of the Bill's aspects, but agreed with the principle that crime fighters should have the powers that they need to investigate crime. Concessions have been made on the Bill, but they are not good enough. That is why we have tabled our reasoned amendment.

The concessions are not good enough because the powers that the Bill makes available to the crime-fighting authorities are inadequate; the Benefits Agency will not be able to intercept in serious cases of benefit fraud, the penalty provided in clause 49, when there is a failure to provide a key needed to decode information, is only two years, whereas it should be 10; and the Government's failure to agree in Committee with our proposal for a power of search, as requested by the National Criminal Intelligence Service, has ensured that the powers being made available are inadequate.

The Bill provides for over-regulation, but not for adequate protections. Industry is saying that, if it is to be required to have an intercept capability that it agrees with, there should be clarity about what is proposed. Individual companies should have a right of independent scrutiny of such a proposal. We have therefore suggested a technical approval board, a right of appeal, a review and many other measures that would give confidence to the internet service provider industry. All those issues affect confidence.

As we have heard in our debates today, internet service provider companies are already tip-toeing offshore to avoid those liabilities. There is uncertainty about the possible bill of more than £30 million for the provision. Additionally, the role of consumers has been ignored. They believe that they own the internet, and they want the confidence of knowing that the internet will not be over-regulated and that their every conversation will not be overheard.

The offence provided in clause 49 has been described by an eminent barrister as a "repugnant" offence, which requires a person to prove his innocence and carries a penalty of two years' imprisonment. We say that any penalty is wrong if an offence is unjust—if it breaches the golden thread of justice that means that a person is innocent until proven guilty. In the United Kingdom, one should not have to prove one's innocence. That long-standing principle has served this country well for hundreds of years, and it should be upheld.

The Bill is improved—it is getting better—but it is not good enough. It is not good enough for the authorities who are desperately trying to fight against crime, drug traffickers, paedophiles and money launderers. It is not good enough for the businesses in the new economy that are afraid of over-regulation. It is not good enough for the ordinary citizen, who may be faced with having to prove his or her innocence—something that an Englishman or woman should not have to do.

10.4 pm

Mr. Cohen: I shall not detain the House too long. I congratulate the two Ministers on the courteous way in which they have presented the Bill and on the carefully argued case that they have made in the House and in Committee. However, I still think that the Bill raises some concerns.

Last month, the Government announced that £22 billion had been raised from sale of the next generation of mobile communications licences. Part I, chapter II permits every one of those new-style connections—internet as well as mobile phone—to be monitored by 1,000 or so self-authorising officials.

The Government have said that they want an often illiterate generation, produced by the previous Government's policies, to become the e-literate generation, adept at using the internet. Under the Bill, details of every website visited can be collected by hundreds of diverse bodies, including 400-plus local authorities and 50 police forces. They can use the powers under chapter II and have two authorising officers each.

Of course, the police and MI5 face challenges and the Bill rightly helps them, but I am not sure that it is appropriate to put on the same level bodies such as the egg inspectorate, the Royal Pharmaceutical Society or NHS Estates. The Bill is too widely cast. It is not far short of outrageous that officials can authorise themselves to obtain communications data, without an effective check on the exercise of such powers.

The Government appointed a Data Protection Commissioner to protect privacy. In this important area, the Bill gives the commissioner no explicit role. She is not even a relevant commissioner. Her briefing on the Bill was scathing, effectively saying that the Government were taking too casual an approach to the protection of individual privacy.

An article in *The New York Times* only last week pointed out that the United States was moving towards much stronger protection of personal data. It said:

> President Clinton and Vice President Al Gore have detected the growing political appeal of personal privacy in a time of data rape.

It said that Clinton planned

> to get on with legislation to stem the tide of snooping.

The Bill has lost an opportunity to do that, and it should be stronger on the protection of individual privacy, to balance the overall emphasis on helping MI5. There is to be a code of practice in association with the Bill. The balance must be restored by making that code a strong one.

10.8 pm

Mr. Simon Hughes: The Bill first came to us on Second Reading just two months ago, and the House registered then how important it was. The Liberal Democrats took the view that, although it had some defects, it was necessary to ensure that if, with the development of technology, communication was intercepted or data about communication were collected, that should be covered by the law. That remains our view.

Many of the large number of Government amendments showed that the Government have listened and moved. In many cases, they listened to my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) and my hon. Friend the Member for Sheffield, Hallam

(Mr. Allan), who cannot be here tonight, but to whom I pay tribute. Many of their arguments, and those of the hon. Member for North-East Hertfordshire (Mr. Heald) and his colleagues, have been accepted. We welcome the improvements, and the Bill is unarguably better than it was following Second Reading.

I pay tribute to those outside the House who have helped: Justice, Liberty, and especially Mr. Caspar Bowden from the Foundation for Information Policy Research.

We must decide whether the concerns of constituents and business people have been sufficiently accommodated so that we can accept the Bill. The Conservative party suggests that the Bill has such defects that we should refuse to give it a Third Reading. We do not agree. The Conservatives give three reasons. First, they say that the Bill does not give crime fighters the powers that they need, but the Bill in fact contains adequate powers. The Conservatives tabled new clause 1 and we tabled new clause 7, as alternatives to part III, but the Conservatives' proposal of a 10-year prison sentence option across the board was wrong and their additional powers were therefore inappropriate.

Secondly, the Conservatives argue that the Bill

> imposes unspecified and potentially costly burdens on Internet service providers.

However, we believe that an accommodation can be reached. We have not yet received full assurance on the point, but we have received some assurance that costs will be met. We hope that the Government will go further in the other place. Thirdly, the Conservatives argue that the Bill

> creates an offence repugnant to justice.

We share their view that the reversal of the burden of proof in clauses 46 to 49 is wrong. However, it was noticeable that, when the same provision was before the House on Third Reading of the Terrorism Bill, the Conservative party did not make the same objection. If it thinks that the reversal of the burden of proof is wrong, it must argue that consistently and not be selective.

We are consoled by two thoughts as we support Third Reading. First, the other place will seek to amend it, and we may have to rely on the issue of the burden of proof being corrected there. The House of Lords may again have to come to the rescue of the defendant against the state. Secondly, from 2 October, the European convention on human rights will be part of our law. It is unfortunate that the Government are leaving the parts of the Bill that we think go too far to be struck down under the convention and it would be better if the Bill were right without having to be challenged in the courts. However, if the Bill goes beyond the powers that the state should have, the courts will find in favour of the citizen.

The Bill is necessary. It is not perfect yet, but it is improved. We hope that the Lords will take the signals from this place and correct the one remaining significant objection—to part III—that we still have to the Bill.

10.13 pm

Mr. Charles Clarke: I begin by paying tribute to those who participated in tonight's debate and in Committee, to the Clerks and everybody who serviced the Committee during the course of the Bill, to my officials, and to the wide range of organisations that commented constructively on the Bill. It is important to acknowledge, as everybody concerned has done, that we have had a wide and open debate. That is in the best traditions of the House.

I understand the points raised by my hon. Friend the Member for Leyton and Wanstead (Mr. Cohen), but they have previously been debated. His point about the need for a strong code of practice is taken, and I hope that he feels that the points that he raises have been given a full airing, both in Committee and on Report.

I appreciate the way in which the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) and his colleagues have contributed to the debate. I am delighted that they have decided to support Third Reading, and I think that they have made the right decision. They have paid close attention to various specifics in the Bill and we have tried to respond to the serious way in which their comments were put by the hon. Gentleman's colleagues in Committee. I appreciate that the hon. Gentleman is responding to us tonight by saying that we can work to improve the Bill together, because that is the right approach to enable us to extend human rights more generally.

I was, however, surprised and even shocked that the Opposition decided to table the reasoned amendment. I shall deal with the three specific points that it raises, but in reverse order.

The amendment states that the Bill creates an offence that is "repugnant to justice". A week or so ago, I met the barrister on whose opinion that element of the amendment was based, and I discussed in detail with him the matters involved. The word "repugnant" appears to have been taken from the divisional court judgment in the Kebilene case, which then went to the House of Lords.

However, when the House of Lords considered the case, it did not find the offence to be repugnant. Lord Hope said:

> A sound judgment as to whether the burden which he has to discharge is an unreasonable one is unlikely to be possible until the facts are known.

The Lords did not accept that the offence was repugnant, and to suggest otherwise is both offensive and wrong.

The second contention in the amendment is that the Bill

> imposes unspecified and potentially costly burdens on Internet service providers

The hon. Member for North-East Hertfordshire (Mr. Heald) should concede that the Government have given a great deal of information about the costs involved. Substantial discussions have been held with the industry. We acknowledge that the industry has genuine concerns, which we have debated fully. We have been detailed about the costs involved, and we have set out the position very clearly.

The amendment claims that the Bill fails to give crime fighters the powers that they need. The hon. Gentleman spoke about the need to deal with paedophiles, drug dealers, cyber crime and fraud. For that, we need the powers in the Bill, and they must be properly established and subject to the European convention on human rights.

The reasoned amendment would deprive the Bill of the Third Reading that it needs. As a result, when the ECHR comes into force on 2 October, many of the strategies used by law enforcement agencies to prosecute international paedophiles, drug rings, cyber crime gangs

[Mr. Charles Clarke]

and fraudulent organisations will have to be suspended because no legal framework in which they can operate will exist.

I believe that the hon. Gentleman and the Conservative party will regret opposing Third Reading. As the right hon. Member for Maidstone and The Weald (Miss Widdecombe) correctly said on Second Reading, the Bill is needed to ensure that law enforcement has the powers necessary to fight international crime and to ensure that our citizens are properly protected.

That is why I am shocked that the Opposition should have decided to oppose Third Reading. I believe that they will come to regret it, and I urge the House to turn their amendment down.

10.18 pm

Mr. Heald: The powers in the Bill are inadequate, and will overburden business and industry. The Bill is unsatisfactory and not good enough, and we intend to push the amendment to a Division.

Question put, That the amendment be made:—

The House divided: Ayes 139, Noes 330.

Division No. 183] **[10.17 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clarke, Rt Hon Tom *(Coatbridge)*
Collins, Tim
Cormack, Sir Patrick
Cran, James
Cunningham, Jim *(Cov'try S)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Smyth, Rev Martin *(Belfast S)*
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Rt Hon John D *(Strangford)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Geoffrey Clifton-Brown and
Mr. Peter Luff.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Boateng, Rt Hon Paul
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Breed, Colin
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Butler, Mrs Christine
Cabom, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cotter, Brian
Cousins, Jim
Cox, Tom
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian

Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gapes, Mike
George, Andrew *(St Ives)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Lock, David
McAvoy, Thomas
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McIsaac, Shona
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Raynsford, Nick
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Tynan, Bill
Vis, Dr Rudi
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. Kevin Hughes and
Mrs. Anne McGuire.

Question accordingly negatived.

Main Question put forthwith, pursuant to Standing Order No. 62 (Amendment on second or third reading), and agreed to.

Bill accordingly read the Third time, and passed.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Countryside Agency

That the draft Development Commission (Dissolution) Order 2000, which was laid before this House on 12th April, be approved.—*[Mr. Sutcliffe.]*

Question agreed to.

EDUCATION AND EMPLOYMENT COMMITTEE

Ordered,

That Mr. John Hayes be discharged from the Education and Employment Committee, and Mr. Patrick Nicholls be added to the Committee.—*[Mr. McWilliam.]*

Assisted Area Status (Burnley, Hyndburn and Rossendale)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Sutcliffe.]*

10.32 pm

Mr. Peter L. Pike (Burnley): I have pleasure in initiating a debate on an important issue for Burnley, Hyndburn and Rossendale. Before I begin my speech, it would be wrong of me not to record my congratulations to Burnley football club on securing automatic promotion last Saturday. I say that in all seriousness; the issue is important not only for the club, but for Burnley, because it boosts morale. It is incredible how much production rises in local industry when Burnley football club does well.

Last Friday, I opened the Northbridge conference centre at Elm street in Burnley. It is in a building that was occupied by Lucas several years ago. Lucas moved out when it relocated, and the building has undergone several alterations. The refurbishment is incredible—an area of derelict houses opposite the building has been cleared, a new car park is being built and landscaping is being carried out.

That work was made possible by help from various Government programmes over the years—objective 2, assisted area status or urban development. Indeed, in a short speech at the opening ceremony, the owners of the building referred to the grants that had enabled the work to be undertaken.

My speech is about three areas because we are making a joint submission. My hon. Friend the Member for Hyndburn (Mr. Pope) is in the Chamber and the Minister for Tourism, Film and Broadcasting, my hon. Friend the Member for Rossendale and Darwen (Janet Anderson), will enter the Chamber any minute now. Both of them are precluded by their membership of the Government from speaking in the debate, but they very much support the case that I shall make in my speech.

My right hon. Friend the Minister saw us on 18 April, and I am very grateful for that. He is an old friend of mine; we both came into the House in 1983. We are grateful for the way in which he has listened to our case, but it is important to make the case publicly in the Chamber to show that we are doing everything possible to ensure that assisted area status is given to the three authorities. My right hon. Friend wrote to us on 19 April, and I shall refer to that letter later in the debate.

Burnley, Hyndburn and Rossendale were included in the revised map that was agreed by the Government last July and that was put forward as the new map of assisted area status. We welcomed that at the time and we thought that the Government had done an excellent job in putting wards together. They put together areas of deprivation and those that met the requirements of the assisted area scheme. They also did a good job in enabling as many local authorities as possible to use the resources available.

Unfortunately, that proved to be a false dawn and the European Union—there was a change in the Commission—was not willing to agree to the proposals. It was a major blow when it was announced on 10 April that the map would be changed yet again.

A letter of 10 April from my right hon. Friend the Minister said:

> In the light of those discussions, the Government today announced that it intends to submit an amended set of proposals for the new Assisted Areas. The enclosed booklet sets out the details.

He said that there would be a three-week period of consultation, but he added:

> I regret that the new proposals do not maintain the level of Tier 2 coverage in your constituency. We will, however, ensure that SMEs continue to have access to the DTI's Enterprise Grant Scheme.

That news was a major blow to us; it was a real shock and totally unexpected at that stage.

I am glad that my hon. Friend the Member for Rossendale and Darwen has now arrived. She was obviously delayed by the vote that has just taken place.

On 14 April, the North West regional development agency issued a press release that suggested that its board supported the case for east Lancashire to be reconsidered for assisted area status. It said that

> board member, Kath Reade, supported by Dennis Mendoros, led the call for the agency to help restore Assisted Area to East Lancashire.
>
> Mrs Reade said, "East Lancashire has been dealt two body blows in quick succession. The loss of Objective 2 European funding and now the loss of a Assisted Area status is nonsensical in an area of obvious need. I want the Northwest Development Agency to use as much influence as possible to change this decision. We must be able to support our manufacturing base in East Lancashire."

Rossendale council has written a detailed letter to the Government office of the north-west and it has made a strong case. Among other things, it says:

> This decision has caused great dismay and anger here in Rossendale and the Council ask that the Government reviews the decision especially in the light of the current economic situation facing the Borough and agrees to at least re-instate the above wards if not accept the case for the inclusion of the whole of Rossendale on the new map.

It points out:

> Over the past 12 months (February 1999–February 2000) unemployment in Rossendale has increased by 1.7 per cent. compared with a decrease of 10.7 per cent. nationally. This has been caused by the high level of closures and redundancies throughout 1999 and is a very worrying trend.

Burnley borough council writes:

> At the beginning of 2000, unemployment in Burnley stood at 3.5 per cent., or 1,435 people . . . If the 800 redundancies which have been announced in Burnley since the start of the year "feed through" into the unemployment statistics, Burnley's unemployment rate will increase to around 5.5 per cent. (a 57 per cent. increase), and will stand some 34 per cent. higher then the national unemployment rate

as it was in March 2000. It adds:

> It is worth re-iterating that it is the worsening of the position locally since the original East Lancashire case was submitted in October 1998 which gives . . . cause for concern.

Burnley had a strong case when it was considered in October 1998. However, every factor on which the proposal was considered has worsened since the proposal was made.

Burnley council continues:

> There have been further declines in the figures for "Gross Value Added" since October 1998, and also for "Net Capital Expenditure Per Head in Manufacturing".

The new index of local deprivation, which will be published in June, will show that all boroughs in east Lancashire, including Pendle, are in a much worse position. I am glad that my hon. Friend the Member for Pendle (Mr. Prentice) is also here to support my case.

East Lancashire Partnership sent a letter, dated 5 May, to all Lancashire Members, saying that it hopes we will

> support the case for East Lancashire as the loss of Tier 2 Status will have a negative impact on our manufacturing industries and will limit our ability to restructure our economic base to make it more competitive.

In a letter to the Minister, the North West regional development agency, the north-west regional assembly and East Lancashire Partnership made the point that their case is supported not only by east Lancashire but by the region. It said:

> Our case sets out our joint understanding and commitment to the inclusion of Assisted Area coverage for Wards within East Lancashire as part of North West regional Assisted Area coverage and the regional prioritisation of these areas as part of that represented by the Government on behalf of English regions.

This is not only a local case, supported, rightly, by vested interests such as those in Burnley, Hyndburn and Rossendale, but one with the full backing of the north-west regional assembly and development agency. They believe that there is a strong case for the change in the present map, which has been put out to consultation. The closing date for responses was last Tuesday.

The original case that was made to the Government was based on structural decline, low gross average earnings and low pay, business registrations and survival rates, unemployment and the 1998 index of local deprivation. On structural decline, it can clearly be demonstrated that the east Lancashire economy has become increasingly vulnerable and continues to under-perform compared with the rest of the UK.

On gross average earnings, wages in east Lancashire are 14 per cent. lower than the national average. In manufacturing, wages are 13 per cent. lower than the national average. Business registrations have fallen because of the economic climate. Unemployment is getting worse, and I mentioned that several redundancies had been announced in the past few months. In crude terms, east Lancashire has been a job deficit area for decades, and the situation has become acute over the years. The index of local deprivation supports our case.

As I said, the latest figures underline the fact that the position is getting worse. For Hyndburn, the gross value added at the time of the proposal's submission in October 1998 was 81 per cent. of the UK figure and the latest figures show a deterioration to 79 per cent. The figure for Rossendale has fallen from 74 per cent. of the UK figure to 73 per cent. In Burnley, the net capital expenditure per head in manufacturing was 68 per cent. of the UK figure at the time of the submission, but the latest figures show a fall to 65 per cent. In Rossendale, the figure was 62 per cent. of the UK figure, and has now fallen to 50 per cent.

Changes in international trade mean that TRW is moving work not to the European Union but to eastern Europe because of low wages there. Only last month, I secured an Adjournment debate on the redundancies that had been announced at TRW, which are a serious blow to the area. As I said, unemployment in Rossendale has increased by 1.7 per cent., and Burnley's unemployment rate is following that trend, as the 709 redundancies announced in March are added to February's unemployment total of 1,454.

Those are the problems that we face. On the index of deprivation, Hyndburn has moved from 76 to 43, Burnley from 65 to 50 and Rossendale from 107 to 65. Many areas

[Mr. Peter L. Pike]

that have been included in the assisted area status map have far lower figures of deprivation than the three areas that I am talking about. The automotive industry is a major employer in our area. Many people depend on it for their job, so they are concerned about what will happen at Rover and Ford.

We need assisted area status if we are to develop industrial estates in our area. Shuttleworth Mead in Burnley has 30 acres remaining for development and the potential for 1,800 jobs; Network 65 in Burnley has 27.5 acres remaining for development and the potential for 1,500 jobs; 65 Central in Hyndburn has 86 acres remaining for development and the potential for 3,500 jobs; and Trans-International Park in Rossendale has 7.5 acres remaining for development and the potential for 400 jobs.

One of the points that I made to my right hon. Friend the Minister is that Burnley has 3,000 empty houses: poverty and deprivation are on the increase and people are moving away because there are no jobs. We have the will to tackle those problems, but we need Government assistance. Another problem is the European Commission's official confirmation of the closure of English Partnership's investment programme. It has been said that the Department of the Environment, Transport and the Regions provides assistance, but if we do not get assisted area status it cannot help.

The conclusion of the submission states that the area is a nationally important manufacturing area, with a strong case for support based on poor economic performance and high levels of poverty and deprivation. At a time when the national economy is improving, conditions in the area have not improved—indeed, against many indicators, performance has worsened. Tier 2 status and access to regional selective assistance is vital to partners' attempts to tackle the deep-seated economic problems in east Lancashire. Without it, the already fragile economy will deteriorate even further than it has done since the original submission in October 1998, and the area's efforts to develop in the new economy will be seriously weakened.

In his letter, my right hon. Friend the Minister expressed a willingness to come to the area and meet representatives of the regional development agency and the Government office of the north-west. We hope that he will be able to do so soon, and that he will respond positively and so offer hope to Burnley, Hyndburn and Rossendale.

10.48 pm

The Minister for Trade (Mr. Richard Caborn): Before I start to respond to the points made by my hon. Friend the Member for Burnley (Mr. Pike), I congratulate his local football team, Burnley, on making it into the first division. He will be able to join us at Bramall Lane, where my team, Sheffield United, plays. I do not know whether it is the great support for Burnley that got the team into the first division, or whether spin coming out of No. 10 is responsible—I know that one of the official spokesmen there is also a supporter. Whatever the reason, it is good to see Burnley back in the first division.

I commend my hon. Friend on the force of his argument. As he said, we entered Parliament at the same time, so I know that he has always been a strong advocate of Burnley and East Lancashire as a whole, especially its manufacturing base. He speaks with great sincerity on the issues and he has made the case well tonight. The Government recognised the needs and concerns of the area in the proposals for the new assisted areas map published in July last year. We listened closely to the views of local and regional partners, including the regional development agencies, when drawing up those proposals.

I know that my hon. Friend and his constituents share my disappointment that we have been unable to secure Commission approval for those proposals, but I can assure him that we fought hard to secure our July proposals, including all those for east Lancashire, and we are not amending those proposals lightly. The amendments that we announced last month, which have been the subject of a three-week consultation period, were made solely to meet the European Commission's concerns about our July proposals.

My hon. Friend may find it helpful if I set out the Commission's concerns and what we have had to do to meet them. The Commission thought that the approach to the July proposals, which reflected earlier public consultation and dialogue with regional and local partners, would have given the United Kingdom an unfair advantage over other member states of the European Union.

The proposals, the Commission believed, allowed the UK to include industrial locations within the assisted areas, while excluding the population of surrounding areas that might benefit from the regional assistance given to such industry. With our population ceiling, that would have allowed the UK greater scope for supporting industry in competition with our European partners.

To meet the concern that the July proposals would give the UK an unfair advantage, the Commission required that our proposed assisted areas be more compact and self-contained. It also required us to reduce the population coverage of our proposed assisted areas by a third of a million people.

The changes have had an impact on our proposals in east Lancashire. We could not, as we did under the July proposals, extend coverage in a strip from Blackburn to Burnley, Rossendale and Hyndburn. The areas proposed in July were not sufficiently compact to secure Commission approval. Under the new constraints imposed by the Commission, we would have had to include the whole of east Lancashire. That would have required a substantial increase in population coverage—instead of which, of course, we have been faced by a demand from the Commission that we cut the population coverage by a third of a million.

I said earlier that we fought hard to secure our July proposals, but we should be clear that the Government do not have the final say in the matter. Under the European Community treaties the Commission has sole competence. Therefore, as my hon. Friend said, we cannot pay any regional state aid without an assisted areas map approved by the Commission. It was clear that the Commission would not approve our July proposals, and we have had to make changes accordingly.

The Government, however, are conscious of the needs and concerns of the people of east Lancashire. Assisted area status is but one part of a package of measures that the Government have put in place to meet regional and local needs.

My hon. Friend knows that when the Government came to power, we inherited an unco-ordinated, disjointed set of regional bodies. Regional activity on inward investment, supply chains, rural development, physical regeneration, and social and economic regeneration all took place in separate organisations. There was no overall strategy to bring together regional activity. We have addressed that problem.

We have devolved power to Scotland and Wales and set up the regional development agencies in England. Last October each RDA produced, with local partners, a strategy for improving the economic performance of its region. The strategies provide a framework for ensuring that all our regions share in Britain's growth. East Lancashire will benefit from the implementation of the north-west's regional strategy—"England's North West: A Strategy towards 2020"—with its work to improve the performance of sectors of continuing and growing importance to the region. Aerospace, for example, is one of the sectors specifically targeted.

Our strategy is not to set one area or region against another, but to use the policy instruments that we have available to make sure that all our regions are competitive and successful.

The framework provided by the regional development agencies, together with initiatives such as the new enterprise grant scheme, to which my hon. Friend referred; the strengthened provision of trade promotion and development services in partnership with local providers, through the formation of British Trade International; the £50 million regional innovation fund to provide support for business clusters; the £30 million phoenix fund; and the £10 million competitiveness development fund will ensure that all areas benefit from Britain's growth.

Our aim is to enable regions to meet the challenges of the new economy. Rather than throwing money at the symptoms, we must tackle the underlying causes, invest in skills and increase opportunities for enterprise. We are doing that.

Those policies are having an impact on the ground. Since the beginning of this year, the new enterprise grant scheme has supported investment of £575,000 in east Lancashire. Training and skills development is being supported through the East Lancashire training and enterprise council, and, from next year, by the learning and skills council. In addition, in June, the Government will announce objective 3 structural fund support for skills and training, and publishing bidding guidance. Based on previous programme allocations, that is likely to mean about £250 million for the north-west, and I would expect east Lancashire to be at the forefront of the bids.

The funding will provide significant support for the Government's employability agenda. It will help people of all ages to get to work. It will also help firms and workers to adapt to new working conditions and thus compete more effectively in the global marketplace. In total, the areas of east Lancashire that we can no longer include in our assisted area proposals will continue to receive Government funding of nearly £40 million to regenerate the area and boost business.

I know that my hon. Friend and his constituents were also disappointed not to secure coverage under the objective 2 structural funds map. However, the Government, through hard negotiation in Europe, secured transitional funding for the areas that lost out. In the north-west, that means that more than £100 million of transitional funding will be available to assist areas such as east Lancashire. That funding is, of course, part of a comprehensive £10 billion package of European structural funding to boost industry and enterprise in the regions.

While I recognise the disappointment of my hon. Friend and the people of Burnley, Rossendale and Hyndburn that they are not included in the amended assisted areas map, I am confident that the amended proposals represent the best package that we can broker with the Commission within the constraints that it has now imposed.

For east Lancashire, we must work together to build on the area's many strengths, which my hon. Friend has highlighted over many years, to ensure a prosperous and vibrant future for the people and businesses of the area. I repeat my offer, which I made to my hon. Friend when he and his colleagues came to see me, to visit east Lancashire and discuss with him and with regional and local partners how we can secure the sort of future for east Lancashire that we all want.

Although I accept that my hon. Friend and his constituents are disappointed, I believe that we have done the best job. I stress that it is only one part of a much larger funding package for our regions, and I am sure that east Lancashire will take advantage of the other provisions that the Government will make available.

Question put and agreed to.

Adjourned accordingly at two minutes to Eleven o'clock.

House of Commons

Tuesday 9 May 2000

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

CITY OF NEWCASTLE-UPON-TYNE BILL *[LORDS]* (*BY ORDER*)

Order for Third Reading read.

To be read the Third time on Tuesday 16 May.

GREENHAM AND CROOKHAM COMMONS BILL (*BY ORDER*)

Order for Second Reading read.

To be read a Second time on Tuesday 16 May.

Oral Answers to Questions

ENVIRONMENT, TRANSPORT AND THE REGIONS

The Secretary of State was asked—

Small-scale Enterprise (Rural Areas)

1. **Mr. Bob Blizzard** (Waveney): If he will revise planning guidance to encourage small-scale enterprise in rural areas. [120139]

The Minister for the Environment (Mr. Michael Meacher): National planning policy guidance already encourages local planning authorities to plan positively for small-scale enterprises in rural areas. In preparing the rural White Paper, we are considering whether that guidance might be strengthened or clarified, consistent with the principles of sustainable development.

Mr. Blizzard: I thank my right hon. Friend for that answer. If we want a prosperous and sustainable countryside, there must be more opportunities for people to work there, rather than having to go off to towns and cities to work. If farmers are to diversify successfully, as we wish them to do under the rural development programme and rural enterprise schemes, planning guidance must encourage that, and not stand in the way.

Will my right hon. Friend visit St. Peter's brewery in my constituency? It is an outstanding example of rural enterprise, which produces an excellent product and is at one with its rural setting. However, when it was first established, it was in the face of planning, and not encouraged by planning. That example is an instance of Conservative policy, which seeks to preserve a picture postcard time-warp version of the countryside and does not promote a modern, working countryside.

Mr. Meacher: I am always willing to consider visiting my hon. Friends' constituencies—especially those that contain breweries. The performance and innovation unit report on rural areas suggested that planning was a barrier to diversification. However, analysis of responses to that report shows that some local planning authorities need better to interpret and implement national planning policies to encourage development to meet local needs. However, we are examining the matter and my hon. Friend the Minister for Housing and Planning is holding a seminar at the end of the month, which local stakeholders will attend, to see how the planning system can be improved to further assist farm diversification.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): The right hon. Gentleman referred to sustainable development. I am sure that greater clarity is needed in the planning process. As the hon. Member for Waveney (Mr. Blizzard) said, there is now a crisis in agriculture and in rural areas generally. I therefore urge the right hon. Gentleman to make it clear to planning authorities that there should be a presumption in favour of sustainable small and medium-sized developments.

Mr. Meacher: I am pleased to give that assurance. Policy planning guidance note 7 already gives strong encouragement to local planning authorities to provide for commercial development in their development plans, noting that many commercial and light manufacturing activities are acceptable in rural areas. The note encourages the re-use and adaptation of rural buildings and allows authorities to discriminate in favour of commercial—as opposed to residential—use. Such matters will certainly be raised in the seminar that I mentioned and the Government wish to take the matter further.

Mr. Hilton Dawson (Lancaster and Wyre): I urge my right hon. Friend to give the strongest possible lead to local authorities on implementing sustainable employment schemes in rural areas. As he knows, some of us represent rural constituencies that were massively neglected by the previous Administration and rural Conservative Members for decades. The legacy of poverty, isolation and despair is something to behold and the Government need to act.

Mr. Meacher: We are introducing a rural White Paper soon—later this year—because we realise that rural regeneration, the breakdown of services, social exclusion and rural governance are all problems that were allowed to deteriorate badly under the Conservative Administrations of the past two decades. We believe that the White Paper will redress those problems in a visionary and practical way.

Mr. Damian Green (Ashford): Can the right hon. Gentleman confirm that, in promoting business, he does not really care whether greenfields are destroyed?

Yesterday, the *Daily Express* said that, in pursuing development, the Deputy Prime Minister thinks that

> greenfield—and even Green Belt—sites could have to be sacrificed

and that

> There is no point in waxing lyrical about a green and pleasant land.

Will he confirm that report? Does he agree that there is certainly no point doing so under the current Government? The only joined-up part of their environment policy is the sea of concrete that they want to pour over the green fields of England.

Mr. Meacher: The hon. Gentleman should not believe all that he reads in newspapers. Let me make it clear that, under the Labour Government, the area of green belt has extended considerably, and building on green belt, which was so noticeable under the previous Administration, has finally been reversed.

New Houses (South-east)

2. **Mr. Howard Flight** (Arundel and South Downs): If he will make a statement on the proportion of brownfield and greenfield land to be used to build new houses in the south-east. [120140]

The Minister for Housing and Planning (Mr. Nick Raynsford): My right hon. Friend the Secretary of State has already made his position clear in his proposed changes to draft regional planning guidance—RPG9. He expects that London will continue to achieve more than 80 per cent. of residential development on previously developed land and he proposes that local authorities in the south-east outside London should seek to achieve at least 60 per cent. of all new housing development on previously developed land.

Mr. Flight: Will the Minister reconsider the Government's figures for West Sussex, which he will be aware cannot be achieved other than on the basis of 60 per cent. greenfield and 40 per cent brownfield, because there is insufficient brownfield land available?

Mr. Raynsford: No, the hon. Gentleman is wrong. I shall remind him of the figures. Under the existing structure plan—the one that is in force, not the new arrangements—the provision in West Sussex as estimated by the south-east regional planning committee, Serplan, is 3,212 homes per year on average, compared with illustrative figures that we sent out to the chairman of Serplan a couple of weeks ago of 2,930 homes per year. There is no question that we shall impose an unreasonable additional burden on West Sussex—that simply is not true and it is wrong to pretend that it is.

Dr. Alan Whitehead (Southampton, Test): Does my hon. Friend agree that, especially in the south-east, affordability is a key issue in planning future housing development? Does he also agree that a region having housing stock that is out of reach of most of the people living in that region is bad for the future of those people?

Mr. Raynsford: My hon. Friend makes an extremely valid point, which is why, in PPG3, the Government placed strong emphasis on making mixed developments, containing an appropriate balance of affordable housing, an important element of new development where necessary throughout the country. We shall continue to pursue that policy to ensure that all sections of the community have the opportunity to obtain a decent home.

Mr. James Clappison (Hertsmere): Is the Minister aware that almost all the land outside urban settlements in my constituency is covered by an existing green belt designation? My constituents derive no comfort from the philosophy expounded by his colleagues, that building on existing green belt can be made up by redesignating green belt elsewhere. Will not that sort of thinking lead to the whole of the south-east, especially the areas just outside London, being concreted over?

Mr. Raynsford: No. As a former Minister, the hon. Gentleman will acknowledge the importance of the evidence, which clearly shows that the Government's target of 60 per cent. of new housing development in the south-east being on brownfield sites can be met. Those figures are confirmed by the national land use database figures, which show that the south-east contains 5,460 hectares of empty brownfield land that is suitable for housing development. It is important that development focuses on brownfield sites, and the Government are absolutely clear about their commitment to achieving that.

Rough Sleepers

3. **Laura Moffatt** (Crawley): If he will make a statement on progress made in reducing the number of rough sleepers. [120141]

9. **Fiona Mactaggart** (Slough): If he will make a statement on progress made in providing services to rough sleepers. [120147]

The Minister for Local Government and the Regions (Ms Hilary Armstrong): We are implementing the proposals in our national strategy "Coming in from the Cold". I am pleased to announce that I have agreed the final step required to ensure that there are enough hostel beds for vulnerable rough sleepers in London. We will spend £9.6 million on 150 hostel beds, which will bring the total to the target set out in the strategy. In December, we met our first milestone of reducing the number of rough sleepers by one tenth. January street counts showed that there had been a fall of around one third in the number of people sleeping rough in central London since June 1998.

Laura Moffatt: That is most welcome news, but I would like to take the argument a little further. Clearly, there is now a commitment to deal with rough sleeping. Does my right hon. Friend agree that the most important part of the new package is to ensure that rough sleepers do not return to the streets? Does she also agree that we should share the good practice of many local authorities in and around London, such as short-term accommodation for the young—STAY—in Crawley and the foyer projects of local government, the London and Quadrant housing

trust and the Housing Corporation, which give young people stability and ensure that they do not return to the streets?

Ms Armstrong: My hon. Friend is right; it is very important that we do more, both to prevent people needing to end up on the streets and to ensure that, once we get them inside having slept rough, we sustain their ability to remain in stable accommodation and work with them consistently. Projects such as the ones that she described in Crawley are exactly those that we are seeking to develop throughout the country, so that people recognise that coming to London does not mean pavements covered in gold, and they are able to find a settled life in their home area.

Fiona Mactaggart: I was very pleased to welcome the Minister to Slough to open a practical project at the Look Ahead hostel, offering 18 places, to reduce the number of rough sleepers in our town. It is clear from speaking to its residents that crucial to improving services for rough sleepers is the quality of health care that they receive. Many have had problems with drug and alcohol abuse, and if health services and GPs do not provide them with care, they are likely to return to the streets. Will my right hon. Friend discuss with the Department of Health ways in which it can work with housing projects to improve health care for rough sleepers and former rough sleepers to keep them off the streets?

Ms Armstrong: I was delighted to visit and open the Serena Hall hostel in Slough last week. It is another good example of co-operation between central and local government and the Housing Corporation to ensure appropriate services. We know that many people end up sleeping rough because they abuse drugs or alcohol, but that the necessary services have simply not been available at the time and in the place that they needed them. I assure my hon. Friend that we are already working very closely with the Department of Health. We are joining funds in order to establish contact and assessment teams to pick up people who have specific problems, and to ensure that they come inside and receive appropriate services. Mental and physical health and the tackling of drug and alcohol abuse are central to the strategy.

Mr. James Gray (North Wiltshire): Will the Minister take this opportunity to pay tribute to my right hon. Friend the Member for North-West Hampshire (Sir G. Young) who, when he was Housing Minister, launched the rough sleepers initiative, which was so successful under the previous Government? In working out how successful the RSI has been, does she agree that it is important to compare winter figures with winter figures and summer figures with summer figures?

Unlike the figures that the Minister quoted, the reality is that, in June 1998, there were 620 rough sleepers in London, but by June 1999 that number had increased to 635. If one compares winter figures with winter figures, one also finds an increase in the number of rough sleepers in London that is quite contrary to the spin that the Minister put on it. Is she not concerned that the decline in investment in social housing under this Government is causing a net increase in homelessness—unless one has the good fortune to be provided with a subsidised house by the RMT?

Ms Armstrong: I am sorry to disappoint the hon. Gentleman, but the figures that I gave demonstrate a reduction not only since we began the strategy, but year on year from January to January. I am really sorry that he is not full-heartedly behind the policy. The problem with the previous Government's policy was that about £250 million was spent and much new accommodation provided, but there was no reduction in the number of people sleeping rough. Our strategy builds on what the previous Government did, but goes much further. We believe that it is not necessary for people to live on the streets, and we will make sure that they do not.

New Deal for Communities

4. **Mr. Bob Laxton** (Derby, North): If he will make a statement on the progress of the new deal for communities. [120142]

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): Seventeen new deal for communities pathfinder partnerships have already received offers of long-term support of more than £770 million to help them implement strategies for real change. That funding will help communities tackle interconnected problems, such as unemployment, crime, educational under-achievement and poor health, in a fully integrated and joined-up way. A second round of 22 areas across England, including Derby, have submitted their proposals for achieving long-term sustainable regeneration.

Mr. Laxton: I thank my right hon. Friend for that reply. He referred to the bid from my constituency, Derby, North. May I stress the need for the bid to go through smoothly? Can my right hon. Friend assure me that the decision on that will be taken on 22 May? To illustrate the strength of the bid, may I read two quick paragraphs from a vision statement—

Hon. Members: No.

Madam Speaker: Order. This is Question Time. The hon. Gentleman should save that for an Adjournment debate.

Mr. Prescott: As my hon. Friend said, Derby is one of the new areas under consideration. It is clear that a number of areas in Derby are greatly in need of such a programme. We will make the decision as quickly as we can.

Mr. Archie Norman (Tunbridge Wells): Can the Deputy Prime Minister say how much less the Government spent on urban regeneration last year than was spent in the last year of the previous Government?

Mr. Prescott: At well over £2.5 billion, our regeneration programme is considerably more substantial in its direction and concentration in regeneration areas and developments.

Mr. Norman: The Deputy Prime Minister has again failed to answer the most basic question. May I commend

to him for bedtime reading his Department's own annual report, which states that £1.4 billion was spent last year on regeneration programmes, as against £17 million less under the previous Conservative Government? Does he accept that, whatever the good intentions, and for all the repeated announcements and reheating of old rhetoric, the new deal for communities has been treacly slow to get off the ground? Does he agree that the local election results last week in London, Hartlepool, the midlands and many other urban areas were a clear verdict on Labour's failure to deliver for its urban heartlands?

Mr. Prescott: When the hon. Gentleman has been in the House a little longer, he will understand the kind of problems that we inherited from the previous Administration. In the areas that we have identified to be new deal communities, the mortality rate is 30 per cent. higher than the average, and levels of unemployment, burglary and other problems associated with new deal areas are considerably higher. We have developed selected programmes in health, education and tackling crime, all to be added to the regeneration programme, in addition to the £800 million that has been designated for the new deal areas. That is the scale of resources that we are directing at those problems, and it is much greater than under the previous Administration.

The amount of money going into social housing was mentioned earlier. The Government put £5 billion of capital receipts from the sale of council houses into improving housing in those areas. Money on that scale was kept back by the Tories, who preferred to keep the interest payments rather than improve houses.

Mr. Hilary Benn (Leeds, Central): May I draw my right hon. Friend's attention to the powerful film by Fergal Keane, which was shown on BBC television last night and dealt with the Lincoln Green estate in my constituency? I am glad to say that, since the film was shot, a start has been made on regenerating that area. Will my right hon. Friend join me in congratulating all the people in the area who are working to make it a better place to live? Incidentally, there was a swing to Labour in the local elections there last Thursday. Does my right hon. Friend agree that that is precisely the kind of estate that could benefit from new deal for community funding?

Mr. Prescott: I quite agree. My hon. Friend has drawn attention to the key point of community involvement in the schemes. They are not simply about councils getting together, but are about the community's active involvement and different Departments joining up to ensure that the schemes are directed positively. All the schemes show a willingness to innovate and a long-term commitment to deliver. We have adopted precisely that strategy, and it fits the example that my hon. Friend cited.

Miss Anne McIntosh (Vale of York): Does the Deputy Prime Minister agree that the new deal has been a poor deal for constituencies such as the Vale of York, and that it has failed dismally to help the young unemployed or communities? The Deputy Prime Minister should focus the Government's attention on processing applications for state aid for pig farmers and for Rover. That would help industry much more than his four schemes.

Mr. Prescott: I think that the hon. Lady has mixed up several schemes. We are considering the new deal for communities, whereas she referred to the new deal on unemployment. The scheme that she mentions is working. As we promised, we are getting more and more people back to work, and there has been a 70 per cent. reduction in youth unemployment; that is an important achievement.

The hon. Lady also mentioned farming and Rover. We shall hear a statement on the latter shortly. I simply point out that the previous Government sold Rover for £1 and left us with all the problems.

Homelessness

5. **Mr. Patrick Hall** (Bedford): If he will make a statement on progress made in combating homelessness. [120143]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Chris Mullin): Shortly after taking office, the Government introduced secondary legislation to strengthen the safety net for households accepted as statutorily homeless and ensure that they were given reasonable preference in the allocation of permanent local authority housing. The housing Green Paper, which was published on 4 April, includes proposals to fulfil the Government's election manifesto promise to place a new duty on local authorities to protect those who are homeless through no fault of their own, and whose needs are a priority.

Mr. Hall: I thank my hon. Friend for his answer. I welcome the proposals in the Green Paper and look forward to their development in the Bill. Will my hon. Friend consider taking further the steps that the Green Paper outlines by placing a duty on local councils to prepare and publish comprehensive strategies to prevent homelessness? That would be the best way forward. I understand that the homelessness taskforce in Scotland has made such a proposal. Will my hon. Friend consider extending it to England and Wales?

Mr. Mullin: There is a strong emphasis in the Green Paper on preventative work. We should like local authorities, in partnership with the voluntary sector, to take a more strategic approach to tackling the causes of homelessness and preventing their recurrence. The housing Green Paper includes a proposal to require local authorities to carry out an audit of all forms of homelessness in their areas and the provisions for dealing with it. They will be required to consult locally on their findings and the steps that they propose for dealing with any problems. They will also be required to incorporate their findings and proposed actions in their housing strategy. The Green Paper is a consultative document, and we shall consider carefully the responses to it.

Mr. Nigel Evans (Ribble Valley): On Sunday evening, I walked past nine people sleeping rough outside the Army and Navy store in Victoria street. Clearly, the Government's action is deficient. What further action and incentives can the Government introduce to ensure that extra places are made available for those who sleep rough in London?

Mr. Mullin: More beds are available for the homeless in central London now than at any time in the past. *[Interruption.]* The hon. Gentleman is right. People slept

rough under Tory Governments and people sleep rough under Labour Governments, but we are trying to do something about it. We are doing a darn sight more than the previous Government.

Beacon Councils Scheme

6. **Mr. Jim Cunningham** (Coventry, South): If he will make a statement on the progress of the beacon councils scheme. [120144]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Beverley Hughes): The scheme is making excellent progress. More than 1,500 delegates have already attended roadshows to learn from beacon best practice. We have also announced 11 new themes for the second year, all of which involve council services that directly affect people's lives and the communities in which they live.

Mr. Cunningham: Will my hon. Friend commend Coventry city council for achieving beacon status? It was one of six councils to do so, out of about 90 applicants. Will she also commend the Coventry partnership for achieving a 44 per cent. reduction in crime overall and a 25 per cent. reduction in retail crime? Does she agree that that is a tremendous achievement and a pointer in the right direction for the Government's policies?

Ms Hughes: Yes; we were pleased to be able to award beacon status to Coventry city council last year. That reflected its excellence in preventing local shopping and town-centre crime and disorder and its overall good performance, to which my hon. Friend alluded. The particular strength was its partnership with the police and local business. As well as achieving the reductions that he mentions, it has led to greater use of shops and car parks in the city centre and has therefore had a beneficial effect on shoppers and local businesses.

Mr. Tony Baldry (Banbury): With so many councils now back under Conservative control, will the Minister set out objectively and transparently the criteria used to select beacon councils and beacon schemes so that there can be no scintilla of a suggestion of political partiality in their selection?

Ms Hughes: We shall have to see what the implications are for the overall performance standards of those councils that have changed to Conservative control. The record of Tory authorities on performance in local services is not good. The hon. Gentleman will have read the prospectus on beacon status schemes, so he will know that an advisory panel applies clear and rigorous criteria in judging the many applications from across the political spectrum. He will also know that councils controlled by all political parties were awarded beacon status in the first phase of the scheme.

Mr. Lindsay Hoyle (Chorley): Will my hon. Friend ensure that there will be incentives for district councils, not just the metropolitan and unitary authorities, to apply for beacon status?

Ms Hughes: Certainly. There is now a list of 11 themes for the second year of the beacon councils scheme, including a wide range of services that are important to local people. Many are delivered at district level. We have tried to ensure that the scheme includes the services that county councils deliver so that they can participate. It also includes cross-cutting themes so that we can encourage those councils that are making good progress in integrating their services across several departmental areas. As in the first phase, I am sure that councils will be tremendously interested in applying for beacon status.

Road Improvements

7. **Mr. Ian Bruce** (South Dorset): What progress has been made towards completing the schemes in the targeted programme of road improvements. [120145]

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): My noble Friend Lord Whitty confirmed on 3 February that we would let contracts for 13 of the 37 schemes this year. The Government have provided an additional £25 million in the Budget to enable contract awards for six schemes to be brought forward. We have announced the addition of four schemes to the programme. Government policy on roads is no longer based on the old system of predict and build; it is based on the new approach to appraisal, against the five criteria of environmental impact, safety, economy, accessibility and integration.

Mr. Bruce: I thank the right hon. Gentleman for that answer. He will know that the Under-Secretary of State for the Environment, Transport and the Regions, the hon. Member for Streatham (Mr. Hill), is coming to view the Dorchester relief road, which is in my constituency, on 13 July. He will also know that that scheme was ready to be built when the Government came to power and that they have become unpopular by cutting road schemes. May I urge him, in a spirit of cross-party support, to come to the aid of the Weymouth and Portland Labour party, which lost so heavily, and the Liberal Democrats, who control the county council and lost even more heavily in my constituency, and award them that scheme, which will be universally welcomed by all political parties?

Mr. Prescott: The hon. Gentleman was doing quite well in impressing me until the second part of his question. His criticisms about cutting road programmes should be directed to the previous Conservative Government. The 500 road schemes decided in 1990 represented a wish list, because 60 per cent. of them had not seen the light of day before the previous Government left office.

The great majority—236—had been cancelled, along with other programmes.

The hon. Member for Tunbridge Wells (Mr. Norman) should be aware of the situation. As he has said a number of times in the House, he has waited 11 years for improvements to the A21. I am pleased to tell him that the Government have now agreed to the implementation of the Lamberhurst bypass scheme.

Mr. Ben Bradshaw (Exeter): Devon county council, which is run by the Liberal Democrats, underspent by £1.4 million on its roads maintenance budget last year, despite the appalling condition of the roads in my constituency. I fell off my bike recently, having hit one

of the many potholes that are the result of the council's incompetence. Is that not another argument for the Deputy Prime Minister to give Exeter city council—another beacon council, Labour run—control of its own affairs, and the unitary status that it so desperately needs?

Mr. Prescott: I agree with a great deal of what my hon. Friend has said. This is really about road programmes. I should apologise to the hon. Member for South Dorset (Mr. Bruce): the Weymouth relief road is a local road, the improvement is among those that we are considering, and we have talked to the local authority about it. We are not too happy about the scheme that they have presented, but we are discussing how they might present it in a way more acceptable to us.

Mr. Bernard Jenkin (North Essex): How can the Deputy Prime Minister say that he really cares about our crumbling road infrastructure and keep a straight face, given that he is spending less than the Conservative Government on road maintenance? Will he confirm figures that I have obtained from the House of Commons Library, which reveal that he is not only spending less than the average spent by the previous Government on road maintenance, but spending less on transport in total—less on local transport grants and credit approvals, less on infrastructure improvements and trunk roads on motorways, less on London Transport and less on support for the railways? When will he admit that the only programme on which he is spending more—an extra £100 million—is that represented by the running costs of his own Department? How is he to improve the transport infrastructure if he continues to lose all his battles with the Treasury?

Is it not the case that, as the Government tax motorists £36 billion a year—£1 in every £7 that they spend comes from the motorist—the Deputy Prime Minister is delivering less and less? Is that not why we say that his Government tax more and deliver less?

Mr. Prescott: The hon. Gentleman's rant is just not true. The resources that we have provided for maintenance are a considerable increase on what was provided by the previous Administration. We have spent £2.8 billion on trunk road maintenance; the previous Administration cut road maintenance spending considerably.

As for the overall figures, because in our first two years of government we decided to accept the expenditures laid down by the previous Government in their Red Book, they may seem lower. Our priority is finding a way in which to begin to improve public transport, while also giving greater priority to road maintenance. We are doing that, and it is beginning to have an effect.

I will take no criticism of the state of our roads from those who supported the previous Administration, who spent 18 years in government. The roads are in the worst possible state because of a lack of investment over the past 10 or 15 years.

Mr. Michael Jabez Foster (Hastings and Rye): Given the encouraging progress on the roads programme to which my right hon. Friend referred, and the fact that the A21 is at the forefront of his mind, may I ask him whether, if—as is assumed—the access to Hastings study will result in a yes later this summer, the scheme will get somewhere in the next few years?

Mr. Prescott: As we said in our paper on the roads programme, the 37 schemes that we identified are to go ahead; the others were passed to local authorities to consider in their transport plans. As I said to the hon. Member for South Dorset, some are to be dealt with in that way. We will give them the order of priority, and exercise the criteria, laid down in our paper.

Local Authority Funding

8. **Mr. Steve Webb** (Northavon): When he expects to bring forward proposals for the reform of the system of allocating funds to local authorities by reference to standard spending assessments. [120146]

The Minister for Local Government and the Regions (Ms Hilary Armstrong): Decisions about the merits of the various options for reform will not be taken until we have consulted widely this summer.

Mr. Webb: Does the Minister accept that, for my constituents in South Gloucestershire, SSA might as well stand for "schools short-changed again", because for as long the council has existed, it has been the worst-funded local education authority in the country in terms of primary schools? Does she accept that my constituents will be angry if a whole Parliament goes by without reform of that unfair scheme? Will she tell them today that, before the current Parliament is through, we will have a fairer scheme in place?

Ms Armstrong: As I am sure the hon. Gentleman knows from previous Question Times, I am keen for us to move to a new form of funding, but that requires co-operation from local government, as well as ideas and determination from central Government. We have a system that I support, which recognises that different parts of the country need different levels of support from central Government. We believe that we should respond to need, and it is from that basis that we start.

I hope that we can move forward, but there is no holy grail. What is important in one area has a different priority in another. What is seen as fair in one authority is seen in very different ways in others. I am sure that constituents of other hon. Members will feel that they have as much right as any of the hon. Gentleman's constituents to get an uplift. We will do what we can but, as I say, we need the co-operation and support of hon. Members and local government to move forward.

Mr. Keith Darvill (Upminster): Does my right hon. Friend agree that the system of allocating local authority funds creates too many inequalities and anomalies? For that reason, it is important that the review be carried out as quickly as possible to ensure that local authorities such as the one in my area, the London borough of Havering, can resolve some of their difficulties in delivering public services.

Ms Armstrong: We knew when we came to power that there were great problems within the local government finance system. We have made some adjustments.

More than that, we have substantially increased the amount of money going into local government compared with what went in under the previous regime. It is a question of ensuring both that we run the economy to get more money for good public services, and that we get a distribution system that is as fair as possible. We are seeking to do that, but I repeat: there is no holy grail and no system that everyone will think is fair to them.

Mr. Nigel Waterson (Eastbourne): Will the Minister undertake not to repeat the outrageous fix whereby, in the life of the current Parliament, shire counties will lose out by £623 million? Will she abandon the so-called front line first policy, under which funds will be diverted from properly elected local councils, with funding decisions being made by Ministers in Whitehall? The move was attacked recently by Sir Jeremy Beecham, the Labour leader of the Local Government Association, as amounting to

the strange death of local democracy.

Ms Armstrong: Let me nail once and for all the absolute rubbish that the hon. Gentleman comes out with time and again about funding for shire areas. Far from the position that he suggests, we have put substantially more money into local government in the past three years, including into the shires. If shire authorities received the same amount of money now as they received under his regime, they would be receiving substantially less. We have uplifted the amount that has gone in, and his crazy creative accounting fools no one.

Mr. Jeff Ennis (Barnsley, East and Mexborough): Does the Minister agree that the grand objective of the review should be to reduce the differentials between the winners and losers under the existing system?

Ms Armstrong: That could be one objective. We are canvassing a range of objectives. My hon. Friend needs to recognise that if we reduce the differentials, we also take less account of differential need.

Council Tax

10. **Mr. David Heath** (Somerton and Frome): What is the average percentage increase in council tax for residents of band D properties in shire districts of England in 2000–01 from the previous year. [120149]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Beverley Hughes): The average band D council tax for residents in shire districts is £848, an increase of 6.6 per cent. However, I think that a more accurate representation of what people really pay is the average council tax per dwelling. For shire districts, that figure is £735, an increase of 6.7 per cent.

Mr. Heath: Whether the figure is 6.6 or 6.7 per cent, is it not true that the ordinary member of the public does not understand a word that we say about area cost adjustments and standard spending assessments? The public understand only that—regardless of who controls their council, and of their council's location and efficiency—each year, their council tax increases, while councils struggle to maintain services. Is that situation not the result of the fact that the current Chancellor, and previous Chancellors in previous Governments, have shifted the taxation burden from central Government to local government? Is it not time that we had a system that was transparent and honest?

Ms Hughes: The hon. Gentleman says that it does not matter who controls a council, but the fact is that in Labour-controlled authorities, the average council tax per dwelling is lower by about £100 than it is in Conservative-controlled or Liberal Democrat-controlled authorities. As for the Government's record—I shall not even begin to try to speak for the previous Government—we have increased the grant to local authorities by 8 per cent. in real terms. Moreover, in the three years since the previous general election, unlike the three years leading up to it, that increase has allowed local authorities to increase spending by about 20 per cent, compared with a real-terms spending cut and diminution in service standards under the previous Government.

Mr. David Taylor (North-West Leicestershire): Is the Minister aware of the formation, last month, of the all-party fair deal for shire districts group, which I have the honour to co-chair? Does she agree that part of the problem is the fact that the SSA system fails to recognise the needs of smaller urban and semi-rural areas—areas such as North-West Leicestershire—which have growing populations and significant levels of unemployment and deprivation? Is she confident that the reform to which the Minister for Local Government and the Regions referred a moment ago will produce a better and more effective system for shire districts?

Ms Hughes: As my right hon. Friend the Minister for Local Government and the Regions said, we are hoping that the creation of a fairer system will be the outcome of our review. However, such a system will depend on co-operation from all types of local authorities. If we are talking about a system that distributes money differently, we must be able to reach agreement not only with the authorities that might benefit from a different system, but with those that might feel that the current system is in their interests. Achieving that consensus is important.

I acknowledge my hon. Friend's work in promoting the interests of shire districts, and I can tell him that, while working on the review, the Government have given shire districts a much fairer settlement than they have received in previous years. This year, I myself met representatives of the district councils, and they were very pleased with the settlement, which is well above the average for English authorities.

Miss Julie Kirkbride (Bromsgrove): The Minister for Local Government and the Regions told my hon. Friend the Member for Eastbourne (Mr. Waterson) that he was wrong to say that the Government were starving shire counties of funds. Can the Under-Secretary therefore explain why, this year, residents of the shire district of Worcestershire—which has a Labour-controlled council—are facing a council tax increase of almost 10 per cent? Are they facing that increase because the Labour-controlled council is inefficient? Are they facing it because the Government are starving the shire district of Worcestershire of funds that rightfully belong to it? Or is the increase—as Opposition Members believe—part of the Government's programme of stealth taxes? Can the

Minister also explain to the pensioners of Worcestershire how they will pay that increase with the measly 75p increase in their pensions?

Ms Hughes: Perhaps I can begin to attempt to unravel that ragbag of a question. I remind the hon. Lady that a council tax increase in any local authority is a direct consequence both of Government grant—which has increased—and of councils' decisions on their spending. It is right that local people, as well as Government, should contribute to the improvement of local services. The Tories are pursuing the argument—[HON. MEMBERS: "Answer the question."] I am answering the question as I choose to answer it. The Tories are pursuing the argument about stealth tax, but their figures are absolutely wrong. The Government have increased grant to local authorities in real terms by 8 per cent., compared with a real-terms cut of more than 4 per cent. by the previous Government. That demonstrates the different commitment of this Government to local government and local services.

Disadvantaged Communities

11. **Mr. Bill Rammell** (Harlow): What steps he is taking to ensure that local people are involved in renewing disadvantaged communities. [120150]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Beverley Hughes): The active involvement of local people is critically important in regenerating deprived neighbourhoods, as recognised in the social exclusion unit's recently published consultation document on the national strategy for neighbourhood renewal. My Department's programmes, particularly the new deal for communities and the single regeneration budget, already place great emphasis on the genuine involvement of local people at all stages.

Mr. Rammell: Will my hon. Friend confirm that when it comes to regenerating disadvantaged communities, between 1999 and 2002 this Government will spend six times as much as the Conservatives did during their last three years in office, simply in terms of the single regeneration budget? Will she confirm that it is not just a question of money, and that it is essential that local people are involved in the process that decides how the money is spent? Will she confirm that when we talk about disadvantaged communities, we are not talking only about areas in the north of England, Scotland or Wales, because some are in the south of England?

Ms Hughes: I can confirm my hon. Friend's point about money. Across the board since May 1997, the Government have spent almost £5.5 billion on regeneration schemes. That has been spent by my Department, and in education, health and elsewhere. That shows our commitment to regeneration and to helping those who were disadvantaged for two decades under the previous regime. We have learned from previous approaches to regeneration that unless local people are involved from the outset, and unless they have a say in decisions about priorities for their areas and how those should be achieved, any change will not be sustainable. My hon. Friend will see that the new deal for communities has been applied outside urban areas because there are pockets of deprivation in all parts of the country, and the Government are committed to tackling deprivation wherever it occurs.

Road Haulage Forum

12. **Mr. John Bercow** (Buckingham): When he last met the road haulage forum to discuss transport issues. [120151]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Keith Hill): The last meeting was on 17 April.

Mr. Bercow: I am grateful to the Minister for that informative reply. Given that the much-trumpeted cut in vehicle excise duty applies to only a tiny minority of heavy goods vehicles, will the Minister recognise that with fuel now by far the most expensive in Europe, with domestic profit margins slashed to the bone, with heavier foreign trucks seizing British business and with the Government taking seven times as much from the vehicle user as they spend on roads, his right hon. Friend the Secretary of State remains in the sights of road hauliers in my constituency as public enemy number one?

Mr. Hill: The hon. Gentleman ought to contain himself—he is not on Lambeth council any longer. I do not recognise the true views of the road haulage industry in his remarks. This year's Budget gave a substantial boost to the trucking industry. For most lorries, real-terms taxation remained the same, and for some—notably the 40-tonne, five-axle lorry—the 10 per cent. cut in vehicle excise duty, worth £45 million, will provide an important boost to the international competitiveness of the UK haulage industry. In addition, the industry will benefit from increased spending on congestion hot spots and new roads schemes out of the extra £280 million for investment in transport announced by the Chancellor of the Exchequer. As the Freight Transport Association said:

> For transport, this has been a positive Budget.

It knows what it is talking about, even if the Opposition clearly do not.

Mr. Don Foster (Bath): Have not all those meetings with the forum clouded the Government's judgment? Is it not simply because of pressure from the forum that they have made the ill-judged decision to introduce 44-tonne lorries? Why have they listened only to the forum and totally ignored the advice from the major railfreight operator EWS, which has made it absolutely clear that the introduction of those lorries will reduce by 19 per cent. the share of freight carried on our railways? Will the Minister at least accept the need to do something and consider reducing railfreight access charges?

Mr. Hill: The introduction of the 44-tonne lorry announced by my right hon. Friend the Chancellor in the Budget was made at the recommendation of the Commission for Integrated Transport, which calculated that it would reduce lorry trips by about 100 million a year. That is a significant contribution to the environment, and this Government, with our well-known commitment to the environment, are delighted to have made that judgment.

Non-domestic Properties

13. **Mr. Bill O'Brien** (Normanton): If he will make a statement on progress in *(a)* the revaluation of non-domestic properties in England and *(b)* the revising of the distribution of the income from non-domestic council tax payments. [120152]

The Minister for Local Government and the Regions (Ms Hilary Armstrong): The rating revaluation of non-domestic properties took effect on 1 April. We have no plans to revise the way in which the income from non-domestic rates is redistributed back to local authorities, the current redistribution being based on the size of the local population.

Mr. O'Brien: May I draw attention to the problems and difficulties that small businesses are facing in town and city centres because of the revaluation of their properties? It is incumbent on the Government to ensure that that hardship is reduced in all ways possible. On the redistribution of income from non-domestic rates, may I draw attention to the fact that the Conservative Government withdrew the support to parish and town councils from the industrial rate? Will my right hon. Friend consider reinstating some of that resource to the smaller authorities so that they can generate much greater interest in their communities and provide the necessary services that come with parish and town council status?

Ms Armstrong: The revaluation, which took effect on 1 April, means that the amount paid nationally in rates remains broadly the same, even though rateable values have increased by 25 per cent. That is because the rate poundage has been reduced from 48.9p to 41.6p. My hon. Friend will also want to know that we have recognised the particular pressures on small businesses, so for this year the maximum increase for any small business is 5 per cent., and in subsequent years it will be 7.5 per cent. At the same time, we have raised the level defining a small business to £12,000.

We are to publish a White Paper on rural policy this year, which, as my right hon. Friend the Minister for the Environment said earlier, will allow us to examine governance in rural areas. As part of that we will consider some of the issues concerning parishes. In the local government finance Green Paper, we will also be able to consider the specific issue that my hon. Friend has raised.

Empty Properties

14. **Mr. Norman Baker** (Lewes): What steps he is taking to minimise the number of empty properties. [120153]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Chris Mullin): We have successfully encouraged a significant number of local authorities to adopt empty homes reduction strategies. From this year, we are requiring all authorities to publish indicators of their performance in managing their own stock and returning private sector vacant stock to use. We have set up an empty property advisory group to develop an effective policy aimed at building on the steps that we have already taken.

Mr. Baker: Before the Minister authorises the carpeting of what is left of greenfield Sussex with thousands upon thousands of new houses, will he take steps to change the council tax system, which gives a perverse incentive to leave properties empty? In Lewes district 812 properties get a 50 per cent. discount for being second homes or holiday homes, and 383 properties that get a 100 per cent. discount because they are unoccupied for six months or more. Will he have a word with the Chancellor, so that leaving properties empty will attract a penalty, not a benefit, for the owner?

Mr. Mullin: The hon. Gentleman makes a serious point—up to a point. We shall examine in the White Paper the issue that he raises about empty properties. Although his question was phrased in a rather churlish way, the local council in Lewes has made quite good progress in reducing the number of empty properties, which has just about halved in the past four years. We would like other local authorities to emulate that example.

Rover-BMW

3.30 pm

The Secretary of State for Trade and Industry (Mr. Stephen Byers): With permission, I would like to make a statement concerning the latest developments at Rover.

Earlier today, BMW announced that it had agreed to sell Rover cars to the Phoenix consortium. Negotiations have been concluded and contracts signed. This is clearly good news—for the workers at Longbridge and the wider community in the west midlands. I am sure that it is news that all hon. Members will welcome, especially my hon. Friend the Member for Birmingham, Northfield (Mr. Burden) who is at Longbridge this afternoon and has worked hard to support the work force during this difficult period.

The agreement reached earlier today will preserve volume car manufacture at Longbridge; it will safeguard the majority of jobs there and minimise the knock-on effect in the supply chain.

I would like to add my personal congratulations to John Towers for the way in which he pulled the consortium together and brought what I know have been difficult negotiations to a successful conclusion. He has been determined and dogged in the face of hostility and criticism. His personal strengths will be invaluable to the Phoenix consortium.

Since BMW's decision to sell Rover, the Government's main concern has been with the workers at Longbridge, Rover suppliers and the communities affected. They have faced a considerable period of uncertainty over the past six weeks. It has been something of a rollercoaster period for them—swinging between dismay and hope as their future was decided in various negotiations with BMW.

Today's news finally provides some welcome certainty for the Longbridge site. However, there will still be a number of redundancies. Our priority now is to do everything that we can to help those who will be affected, to provide training and to attract new jobs to the area. That is the role of Government—to manage change and to equip people for change, not to leave them the innocent victims of change.

We have always been clear that the role of Government is not to run commercial negotiations between the interested parties. The Phoenix consortium has not sought Government finance for its proposals. John Towers has always been clear with me that the Phoenix bid had to be viable on its own and would get funding from commercial sources, and that is the case.

The Government have not played the old role of throwing money at a problem in the hope that it would go away. Nor have we adopted the laissez-faire attitude of the previous Government—just standing to one side and doing nothing. Instead, we have taken an active role to facilitate the commercial negotiations over the future of Rover, and to provide support for those workers and companies adversely affected by commercial decisions.

Our role has been to bring people together and to move the negotiations forward. It was the Government who brought John Towers and BMW together for their first face-to-face meeting a month ago on 10 April and we have remained in contact with both parties throughout the negotiations.

We must now turn our attention to those who will be adversely affected by today's announcement. I am pleased that most of the work force will be offered a future at Rover, but we need to provide support for those who, regrettably, will lose their jobs. The Government will do all that we can to help.

I can announce that the taskforce that we created will remain in place, and I expect that its continuing work will take account of all developments, including today's announcements and the consequences for suppliers. It will produce a final report to me at the end of June.

My right hon. Friend the Secretary of State for Education and Employment and I have already put in place measures to assist any workers made redundant, to help affected supplier companies and to assist in attracting new investment and employment. Those measures will remain in place.

I am also able to confirm that the £129 million promised to the taskforce will remain available for good-quality projects in the region that provide long-term economic regeneration and job creation.

We must not underestimate the remaining difficulties ahead. The new owners of Rover will have to sell cars in a highly competitive market. The car industry is a fast-moving global market, going through major structural change. These are difficult times for vehicle manufacturers throughout the world, but a number of recent announcements have shown the strength of vehicle manufacture in the United Kingdom.

Last week, Vauxhall announced £189 million of new investment, creating 500 new jobs in its Luton factory. Honda has announced £130 million of new investment in Swindon; Peugeot has doubled production; Jaguar achieved record sales and record production in 1999; and last month's sales figures showed that British-built cars increased their sales in the United Kingdom, against the general trend.

There will be many lessons to be learned from Longbridge, which we will need to reflect upon. However, it is clear that there can be no return to outdated interventionism. The corporate state has been tried, and it simply did not work. Neither did a naive reliance on laissez-faire, which led to a crippling obsession with what Government should not do. The role for Government is to create an environment that encourages enterprise and creates wealth and jobs—*[Interruption.]* A third way, if the right hon. Member for Bromley and Chislehurst (Mr. Forth) would have it so.

Today belongs to John Towers, the Phoenix consortium, the workers at Longbridge and the people of the west midlands. Through adversity, they have all demonstrated great strengths, and we look forward to working with them to meet the challenges that lie ahead.

Mrs. Angela Browning (Tiverton and Honiton): We welcome the fact that the Phoenix bid has been secured. We are particularly encouraged that it attracted financial support from the market.

It is nearly a year since the Secretary of State said that the long-term future of Longbridge was secure. He said today that there are lessons to be learned. I hope that this time, he and his Department will at least take an interest in the progress of Rover, and not be the last to know what is happening in an important industry in the UK.

Although we have followed with interest the information that has come out today, I have some questions for the Secretary of State. Phoenix has taken over production of the business, but has it also acquired all the assets at Longbridge? What is the Secretary of State's understanding of the long-term future of the Swindon plant, on which Phoenix now has an option? Can he confirm exactly how many redundancies are expected?

How will today's announcement impact on the Rover dealerships? Are their futures secure? Does the right hon. Gentleman anticipate supporting applications for European Union funds for the company or for the region? What arrangements have been made for the export distribution of Rover, which has been locked into the BMW operation in Munich?

When the R30 was proposed, I asked the Secretary of State in a written question what impact that would have on UK suppliers. He replied that the R30 would provide opportunities for UK suppliers. Does the Phoenix bid continue to offer opportunities for UK suppliers?

Finally, how confident is the Secretary of State about the much-needed investment in the short term before Rover breaks even in two years' time?

Mr. Byers: I think that there will be disappointment on both sides of the House that the hon. Lady was not able to congratulate John Towers on the role that he has played. There will be disappointment that the right hon. Member for Wokingham (Mr. Redwood), who has criticised John Towers and Phoenix throughout the exercise, is not even in the House this afternoon for the statement.

The reality is that the people of Longbridge and of the west midlands will judge the Conservative party by its response to this issue. It ill becomes Conservative Members to talk about playing party politics with this issue, because that is exactly what they have done throughout. While we were getting our sleeves rolled up and doing the work, they were doing nothing. They were issuing press releases and notices that did not help the negotiations at all.

The reality is that there is a new owner for Rover, with a viable future—and with the commercial decisions that will have to be taken. However, it is not the job of Government to intervene in those commercial decisions. The hon. Lady will be pleased to know that the dealer network supports the proposal; the network is part of the Phoenix consortium.

As for the assets at Longbridge, we know that Hamshall—the engine facility—and Powertrain will be retained in the ownership of BMW. There will be developments at Longbridge which BMW and, no doubt, the Phoenix consortium will need to discuss.

The matter offers a clear lesson about the role of Government. The negotiations have been commercial; we have brought people together and I am pleased that there has been a successful conclusion. However, it is not part of our role to intervene in the way suggested by the hon. Lady. That is not the part that we shall play. We intend to support and facilitate. John Towers and Phoenix have made it clear that they have no proposals for applications for public finance, so I do not intend to answer a hypothetical question.

Mr. Martin O'Neill (Ochil): I congratulate my right hon. Friend on his statement. He has not had the easiest of rides over this issue, but, were it not for his persistence in backing the Phoenix proposal and ensuring that it was on the agenda, we should not have reached this stage. In congratulating John Towers on his persistence, we must give due credit to the persistence displayed by my right hon. Friend.

I do not want to strike a sour note, but I have one question. The sums involved are comparatively small when set against the ambitions for the new models that are being developed. Is there any evidence that further funding could be available? I realise that the Government have no responsibility whatever to achieve such funding, but, as my right hon. Friend has played a part in bringing people together, can he tell us anything about the further investment that will be necessary for the survival and success of the scheme?

Mr. Byers: My hon. Friend is correct. There have been some difficult times over the past few weeks—some of them, I have to point out, created by his Select Committee, although I do not want to dwell on that point; the Trade and Industry Committee played a valuable role in the process.

On the substance of my hon. Friend's question, the Phoenix consortium is clear that, for the foreseeable future—the short and medium term—it has a viable project. However, the consortium makes it clear that it wants to enter a joint venture or an alliance with a major global car manufacturer for the long term. The consortium has been precise publicly as to its intentions: the short and medium-term approach is to safeguard the maximum number of jobs at Longbridge, but it is looking for an alliance with a global player in the near future so as to develop in the way described by my hon. Friend.

Dr. Vincent Cable (Twickenham): May I add a warm welcome to the announcement, and extend congratulations to Mr. Towers and his team—singling out Mr. Hemming in particular—in the face of much scepticism?

In view of the new arrangement, will the Secretary of State assure me that the Department of Trade and Industry has ceased all communications with Alchemy on the alternative, parallel proposal?

I welcome the fact that no public subsidy will be involved, but what will be the position of the Inland Revenue on the substantial tax implications arising from the losses of BMW-Rover and the acquisition of the new enterprises?

Will the Secretary of State also comment on the fact that, although the announcement is unambiguously excellent news, there is still a grave crisis in the car industry? That may be highlighted in a few days by the announced closure of Dagenham. Does he agree with the Confederation of British Industry, the Trades Union Congress and the Engineering Employers Federation that the crisis is primarily attributable to the high pound, or does he share the view of the shadow Chancellor of the Exchequer who said this morning that the high pound is good news for British industry and that we should get used to it?

Mr. Byers: Alchemy made a clear public statement earlier today that its discussions with BMW have terminated as a result of the contracts that have been entered into.

[Mr. Byers]

On the relationship between Phoenix, BMW and the Inland Revenue, those matters will be dealt with in the normal way that they would be processed by the Inland Revenue.

On the hon. Gentleman's point about the strength of sterling, it is worth noting that, although there are difficulties in some parts of manufacturing as a result of the strength of sterling and the relative weakness of European currencies—it is worth reminding the House that, over the past week, the pound has depreciated in value against the dollar and the Japanese yen—some manufacturers in the car sector are still investing in the United Kingdom and in Vauxhall, Honda and Jaguar. Therefore, there is some good news in the car sector. We know that Ford is reviewing its operations in the whole of Europe, but that has not been motivated by any concerns about the strength of sterling. It has been led by over-production in the car market, which, in the case of Ford, is about 20 to 25 per cent. in Europe.

Mr. Peter Snape (West Bromwich, East): Does my right hon. Friend accept that there will be unabashed rejoicing among thousands of families in the west midlands at his announcement today? Many Labour Members have watched and listened with concern to the amount of criticism that he personally has had to put up with over the past few months, so will he accept our congratulations on his announcement? Does he not think that it is a great pity that it was not met with greater pleasure by the cynics on the Opposition Benches, some of whom had hoped that Rover would fail to better their own political advantages?

Mr. Byers: There has been an attempt by some Opposition Members to use the issue for narrow party advantage, but I have to say that there are some honourable exceptions. [HON. MEMBERS: "Name them."] I shall not name them because it may do what political careers they have some damage. However, I value the help that they have been able to give. In the taskforce and as constituencies Members of Parliament, they have played a valuable role.

My hon. Friend is right. We now need to reflect on what has happened. We must recognise that, although today's announcement is good news and that people will be celebrating, we should not lose sight of two issues. First, there will be a number of redundancies. When I spoke to John Towers about half an hour ago, he thought that he would be able to keep the number of redundancies to below 1,000, which would be excellent news, given the prospects that we were facing. However, each of the individuals made redundant will face a real crisis and we have to give them help and support.

Secondly, there will be challenges ahead for Phoenix as the new owner of Rover and of Longbridge. We should not underestimate that point. I know that the Phoenix consortium does not underestimate the challenges that it will face, and we look forward to working with it, as we do with other companies, to overcome the difficulties that might lie ahead.

Sir Norman Fowler (Sutton Coldfield): I declare an interest as a working member of the Rover taskforce. I congratulate John Towers and his team on the success of their negotiations, which will be welcomed in the west midlands. I very much wish them well.

Is it not important to stress that recovery has not yet been won and that it will almost certainly require tough decisions by Phoenix along the way? Irrespective of what has happened today, it must remain a vital objective that the industrial base of the west midlands is expanded. That must remain a priority for the region.

Mr. Byers: I thank the right hon. Gentleman for the constructive role that he has played as a member of the taskforce. I value his input into its deliberations and recommendations.

The right hon. Gentleman makes the important point that, while there is good news for Longbridge, there will be consequences throughout the west midlands that will not be helpful. We should look for ways of encouraging new investment including inward investment and creating new jobs for the future.

Over the past six weeks I have learned at first hand of the great strengths that exist in the west midlands. There are strengths of character and the skills that are needed for the jobs of the future. I have no doubt that when an inward investor considers the opportunities that the west midlands has to offer, we shall find within a matter of days rather than weeks that announcements will be made by major multinationals that they will locate in the area. That will be the clearest signal to the people of the west midlands that they have something that is valued and that they have players who could go anywhere in the world but are choosing to locate in the area. I shall be doing all that I can in the hours and days ahead to secure such decisions.

Ms Julia Drown (South Swindon): I welcome my right hon. Friend's announcement. As he knows, the future of many of my constituents is dependent on the future of Longbridge. Obviously we are still expecting some redundancies and some scaling down at Longbridge. Can my right hon. Friend assure my constituents that the taskforce, which is mainly designed around the west midlands, will continue to work with workers in my constituency, who are also affected by the decisions, as well as others in the supply chain, to ensure that as many as possible of their highly skilled and valued jobs are retained and their futures secured?

Mr. Byers: My hon. Friend has been a powerful advocate for the Swindon plant. As at present, BMW is retaining the facility. However, as the plant is dependent on both Longbridge and Solihull, there will be a knock-on effect depending on the outcome of the detailed negotiations with Phoenix and those that are continuing with Ford on the situation at Solihull. Much will depend on the future strategy that the new owners of the two operations decide to develop.

I can give my hon. Friend an assurance that the help that we want to give to the west midlands is the help that we shall provide to facilities and plants in other parts of the country that will be affected by these decisions. It may mean that we shall need to find additional resources to meet demands, but it is something that we are prepared to do. We shall reconfigure our budgets to ensure that the people of Swindon or others in the supply chain elsewhere

are recognised as the innocent victims of what is happening. We shall not leave them; we shall stand with them and overcome the short-term difficulties that they will face.

Mr. John Maples (Stratford-on-Avon): Can the Secretary of State give the House any information on the future of the Gaydon design and test centre, where several thousand people are employed in south Warwickshire? Does he know how many of the employees will have their jobs safeguarded by the Phoenix bid? Is he in a position to say whether Ford has yet confirmed that as part of its takeover of Land Rover it will take on Gaydon and nearly 2,000 employees? Ford said originally that it would but it then became clear that it was a matter of negotiation. Is the right hon. Gentleman able to clarify any of these points?

Mr. Byers: We have been in discussions with Ford about its proposals for Gaydon. Its discussions with BMW are still continuing. It hopes that they will come to a conclusion within the next two months or so. It is a complicated set of discussions and due diligence is taking place. Ford is working on the proposal, as originally suggested, that it would take over the Gaydon facility and those employees who are linked with Land Rover at Solihull. A number of those employees will then be linked with the Mini, which is to remain at Cowley. That announcement was made by BMW today. Other employees may be engaged by Phoenix.

As far as I am aware, Phoenix has not yet made a statement about its intentions regarding workers at Gaydon who may be linked with any models being developed under the new ownership of Phoenix at the Longbridge plant. Our latest information is that Ford is still discussing with BMW the acquisition of the Gaydon site and the workers who would go with the Land Rover operation.

Mr. Geoffrey Robinson (Coventry, North-West): My right hon. Friend has been fulsome in his tribute to Mr. Towers and his team. I am sure that he will be pleased to know that all of us on the Government Benches agree with him on that. Is he aware that we feel that he has played a critical role in the negotiations? He has been plunged into a crisis not of his making, and has supported an arrangement with Mr. Towers that was subject to attack on many sides, and we should like to congratulate him on that.

The important lesson to be learned—which the Secretary of State has not mentioned—is that his Department will continue to play a critical role in such matters in future. As we look forward to a more settled future after the present crisis, international arrangements and partnerships will have to be agreed so that Rover's future can be more secure. We pay tribute to my right hon. Friend's magnificent achievement, but ask him to give a commitment to ensure that those arrangements can be secured, thus avoiding similar crises in future.

Mr. Byers: I thank my hon. Friend for his warm words. I assure him that I do not see today as the end of the book—rather, one chapter has come to an end and a new one is beginning. Much work will need to be done. The point that I made about working together to meet the challenges ahead addressed indirectly the sorts of initiatives and proposals to which my hon. Friend referred. The Department and the Secretary of State will continue to play a role in helping the new owners of Rover in the United Kingdom and internationally. We will do that for the Phoenix consortium, the workers at Longbridge and the wider community in the west midlands.

Mr. Robin Corbett (Birmingham, Erdington): On behalf of the people of Birmingham and the west midlands, I thank my right hon. Friend for his efforts in bringing Phoenix and BMW together. I also thank him for confirming that the taskforce and its funding will be continued to help casualties of the change in the business.

Will my right hon. Friend join me in encouraging all those who got together to keep Rover on the road to get behind the wheel of a Rover, the better to ensure the future of Longbridge as well as jobs in its supply chain and dealerships?

Mr. Byers: One of the interesting facts to emerge is that sales of Rovers have taken off in the past month, as many people are choosing to buy Rover models. If John Towers and the Phoenix consortium maintain that level of sales, they will have no difficulties in future. I certainly know that John Towers and the Phoenix consortium have thought about their marketing strategy in detail, and I hope that people will consider carefully the attractive models offered by the new owners of Rover.

Miss Julie Kirkbride (Bromsgrove): The news that the bid is going ahead is extremely welcome and heartening for the 1,500 workers in my constituency employed at Longbridge. However, it has been a time of great anguish and uncertainty for those people, so it is important that the Phoenix bid has a long-term future.

Will the Secretary of State give us further details about his conversations with Mr. Towers today? The flow of events so far suggests that production at Longbridge will be cut by half to between 150,000 and 200,000 cars. Is that consistent with 1,000 job losses and maintaining a work force at Longbridge of about 7,000?

Will the Secretary of State also tell us what car will replace the Rover 25 and Rover 45? Is such a car in the pipeline, or will that depend on an international company coming forward with a new product for Longbridge?

Mr. Dennis Skinner (Bolsover): Sell the BMW.

Mr. Byers: I do not know whether the BMW has been sold yet.

As the new owner of Rover, John Towers is addressing those issues. It is only right and appropriate that, as the new commercial owner of Longbridge, he should make announcements about the number of redundancies and the new models that he wishes to develop at the plant. Today, he said clearly and publicly that Longbridge will develop models such as the Rover 75, which is coming up from Cowley. I know that the Phoenix consortium want to develop the estate version of that car. Proposals have been announced by John Towers and the Phoenix consortium,

[Mr. Byers]

but it is appropriate that such announcements are made by the commercial body now responsible for those decisions, not by me as Secretary of State.

Mr. John M. Taylor (Solihull): Will the Secretary of State say a little more about Land Rover in my constituency, and about Rover pensioners generally?

Mr. Byers: I welcomed the opportunity of visiting, with the hon. Gentleman, the Land Rover plant in Solihull two or three weeks ago. It was valuable for me to see at first hand the excellent facilities at the plant and the commitment of the work force in difficult circumstances. I know that Ford is committed to the future of Land Rover, and they have exciting plans to develop the Solihull site.

The hon. Gentleman has raised the issue of pensions before. We have received assurances about the security of pensions, but I am waiting to receive confirmation in writing so that I can put in writing the response received from BMW and the new owners of Longbridge and Land Rover at Solihull. I shall do that not only for present employees but for pensioners who are concerned about the future of their pension entitlement.

Ms Debra Shipley (Stourbridge): I join my colleagues in welcoming my right hon. Friend's statement today, which will come as a great relief to my constituents and to the small businesses located in my constituency that supply Longbridge. I am pleased that he will support those who are made redundant and their families. However, may I ask about the £129 million which, I understand, will remain available to the taskforce? To be obvious about it, how can businesses in my constituency gain access to that money?

Mr. Byers: We have in place a scheme to help companies in the supply chain that face difficulties, and we have made £12 million available already. Given the nature of my hon. Friend's constituency, it is entirely possible that the organisations and employers that she is talking about will regard access to support for the supply chain as a means by which we can be of immediate assistance. If individual companies are feeling the pressure of events, they should get in touch with the taskforce, which is monitoring the situation and ensuring that those who are experiencing difficulties can be routed in the right direction.

Mr. Tony Baldry (Banbury): The Secretary of State will be aware that, all along the M40 corridor, from Oxford to Birmingham, there are many component manufacturers. When Alchemy was in play, representatives told the Select Committee that, because of the pound's strength, the only way to make the figures work was by sourcing more components from overseas. What assurances has the right hon. Gentleman been given by the Phoenix group that it hopes to continue to source components in the west midlands and the UK, whenever possible?

Mr. Byers: The Phoenix consortium is more likely than any of the alternatives that were on offer to source more components in Britain. Part of its marketing strategy will be that the cars that it makes are British cars, made by a British-owned company. I think that that will be a strong selling point, which it is good news for component suppliers. I know that the Select Committee took evidence on the subject and that it is a matter of concern, but I believe that the Phoenix option will be far better for suppliers than either Alchemy or closure of the Longbridge site would have been.

Dr. Lynne Jones (Birmingham, Selly Oak): I, too, congratulate my right hon. Friend on all the efforts that he put in behind the scenes to help bring about today's welcome announcement. I endorse his comments about John Towers and his perseverance in the face of criticism—perhaps those comments apply to my right hon. Friend as well.

However, do the Government accept that the pound is overvalued, that the low value of the euro does not reflect the strength of the European economy, and that that is harming our manufacturing industry? Does my right hon. Friend agree that the Government should work with our European partners to do everything possible to bring about a more realistic alignment of those currencies?

Mr. Byers: My hon. Friend is right to point out that certain sections of manufacturing are experiencing difficulties as a result of the relative strength of the pound against the European currencies. I happen to believe that the best way in which the European currencies can begin to strengthen is through effective economic reform. A wholehearted embracing of the recommendations of the Lisbon summit would be the best way of ensuring that European economies demonstrate their commitment to economic reform. That would help to strengthen the European currencies, which is where I think that the problem lies, rather than in the strength of sterling, given that, as I said, it has depreciated in value against the American dollar and the Japanese yen over the past few days.

Mrs. Caroline Spelman (Meriden): The Secretary of State has indicated some rationalisation in the supply chain to Rover for which he might be prepared to make available additional resources. Given his experiences last time, has he clarified that that would be within European Union rules?

Mr. Byers: The hon. Lady is one of those hon. Members who have played a constructive part as constituency Members of Parliament in what I know have been a difficult few months for many Members and their constituents. She raises an important point. If state aid is involved, it must clearly now receive approval from the EU. However, much of the taskforce's work—certainly with help in the supply chain—does not fall within European state aid rules. Therefore, we can and are already making support available in the supply chain; companies are already receiving financial support. We do not have such a problem with many of the taskforce's proposals. Support for the supply chain is one example of our making decisions that are not within the EU's remit.

Mr. Dennis Turner (Wolverhampton, South-East): As Chairman of the Catering Committee, I think that we ought to have a really lovely party today to celebrate. We are all very glum on a day on which we have had wonderful news. I assure the Secretary of State that there

will be singing and dancing in the streets of your constituency, Madam Speaker, as well as mine, and throughout the black country and the west midlands.

I thank the Secretary of State for all his work behind the scenes in negotiations. I would also like to say a special word to the Prime Minister, who last week received a deputation from the workers at Rover. He was very courteous and concerned about the plight of Rover. Today, the great cloud is lifting. I agree with my hon. Friend the Member for West Bromwich, East (Mr. Snape) that we should rejoice; today is a lovely day.

Mr. Byers: I thank my hon. Friend and look forward to raising a glass or seven with him this evening.

Dr. Evan Harris (Oxford, West and Abingdon): I join the Secretary of State in welcoming the Longbridge solution to the Rover problem. Does he recognise the concerns of my constituents who work for Rover at the Cowley plant in Oxford, where there will not necessarily be dancing in the streets? What reassurance can he give those workers who face being laid off because, under the Phoenix plan, the Rover 75 line will move to Longbridge months before the Mini goes to Cowley? Even though, since Thursday, Oxford is no longer a Labour stronghold, will he still put political energy into the problems at Cowley to ensure the short-term and long-term future of the highly skilled workers at that modern plant?

Mr. Byers: The hon. Gentleman's final remark ill becomes him. Perhaps when he reflects on it, he will regret having made it.

When I visited the shop stewards and management of Cowley about four weeks ago on returning from a meeting with the BMW management in Munich, I was very clear with them that the issue affected not just Longbridge but all plants in the Rover group that were part of BMW. We have been raising the question of Cowley in discussions with BMW throughout the past few weeks. The hon. Gentleman needs to be aware that although BMW's announcement today said that the 75 line would be moved to Longbridge, it confirmed that the Mini would be made at Cowley.

Mr. Snape: The new one?

Mr. Byers: Yes; BMW has given guarantees about that. However, the hon. Gentleman raises an important point about the gap between the R75 going to Longbridge and the new Mini beginning production at Cowley. Earlier today BMW gave an assurance that although there will be a gap, there will be no redundancies as a result of the decisions that it has taken. I am sure that the hon. Gentleman will welcome that.

Mr. Ian Pearson (Dudley, South): May I add my welcome for today's news and warmly congratulate my right hon. Friend on his active role in brokering a commercial deal that offers a brighter future for the work force at Longbridge? Does he agree that for the future, topline sales are vital for Rover and other British car manufacturers? British jobs depend on British people buying British cars. Will my right hon. Friend undertake to publicise widely the car models that are made in Britain and encourage people to buy British?

Mr. Byers: In a highly competitive market, there must be a product that people want to buy. I know from my conversations with John Towers that he is mindful of the situation. Good will alone will not make Phoenix successful. It must offer a good-quality product at a price that people are prepared to pay. That is what Phoenix intends to do. Given the hard-headed approach that it is adopting, it stands a great chance of success.

Dr. Tony Wright (Cannock Chase): I congratulate my right hon. Friend on his announcement. It may have been greeted with visible disappointment on the Opposition Benches, but I can assure him that throughout the west midlands it will be greeted with satisfaction and hope. Will he make sure that what he has just said about investment and regeneration connects with the revisions to the assisted areas map that are under consideration? Many west midlands constituencies are being severely affected by the revision of that map—for example, four out of five wards in my constituency have been dropped from the original proposal. If we are serious about west midlands regeneration, will my right hon. Friend make sure that the statement on assisted areas connects with his statement today?

Mr. Byers: My hon. Friend will be aware that we have just concluded the consultation period on the revised map, and we are now considering our response to that. I have no doubt that the situation in the west midlands will be one of the issues on which we need to reflect and which will inform our response to the consultation exercise.

Mr. Ken Purchase (Wolverhampton, North-East): I of course add my welcome to the many others that have been given in the House. There is a long journey ahead. We should pause and recognise that the role played by the trade unions during the long negotiations has been crucial. Their patience, understanding and perception of the problems has been exceptional. I know that during the coming months and years, the trade unions and their working members will work closely with the management to ensure that on competition, unit costs and the general production of a superb range of cars they will work together. We should recognise that working together is always better than working alone.

Mr. Byers: My hon. Friend is right to point out the difficulties that still lie ahead. There is no getting away from that. We can celebrate today, but we should not lose sight of the fact that difficult decisions will have to be taken in the period ahead. My hon. Friend is also right to point out the valuable role—and, if I may add my own comment, the positive and constructive role—that the trade unions played in the exercise that we have been through over the past six weeks or so. They have been a force for good in what has happened, and we should not lose sight of that. They will play an increasingly important role in the period ahead. As my hon. Friend says, if Phoenix is to be the success that we all hope that it will be, people will have to work together with a real sense of partnership. That is the best way of overcoming any difficulties that may lie ahead.

Mr. Lindsay Hoyle (Chorley): Obviously, the whole country breathes a sigh of relief today. I do not believe that there is a constituency that would not have been touched if Rover had been allowed to close. Whether through the dealerships or the component manufacturers,

[Mr. Lindsay Hoyle]

we will all benefit from the good news. Thanks ought to go to John Towers and to the trade unions, but questions must be asked. What will happen to the Rover 30? Will that come to Longbridge? Will an export market in America be opened up for the MG sports cars? Increased sales in the American market will give encouragement to the workers at Rover and to the component manufacturers.

Mr. Byers: My hon. Friend raised the issue of the R30 with the head of Rover UK during a Select Committee meeting and received an answer that was less than satisfactory. We should continue to argue for the development of the R30 in the UK. It is a UK idea and its development here would be a compliment to our manufacturing base and car industry.

My hon. Friend's question also raises an important point about access to the American market for the MG and Land Rover, which has perhaps not been marketed as well as it could have been. I have no doubt that the new owners—Ford in the case of Land Rover, Phoenix in the case of the MG—will consider export opportunities, especially to the United States.

Point of Order

4.16 pm

Mr. Andrew Robathan (Blaby): On a point of order, Madam Speaker. I seek your guidance on a matter about which I have given you prior notice. It is alleged that the Deputy Prime Minister has a flat in Clapham at a beneficial rate from a transport union. That would be contrary to paragraph 113 of the ministerial code of conduct. A flat might constitute a registrable interest. The ministerial code of conduct is neither your responsibility, Madam Speaker, nor that of the House. It is the Prime Minister's responsibility. He has referred a complaint on the matter to the Department of the Environment, Transport and the Regions.

Every Member is bound by the rules of the House, especially the advocacy rule. The report of the Committee on Standards and Privileges on "Advocacy and Declaration" states:

> Members may not initiate any parliamentary proceeding which relates specifically and directly to the affairs and interests of a body in which they have a declarable interest.

Today, we are discussing the Transport Bill, which the Deputy Prime Minister introduced. We shall discuss amendments that he tabled. Other hon. Members and I have complained to the Parliamentary Commissioner for Standards. I was initially told to expect a report before Easter, but the Committee has yet to report.

If the Deputy Prime Minister's flat is registrable, is he in breach of the House's rules, and are our proceedings on the Transport Bill therefore out of order? I understand that you may be unable to rule on the matter, Madam Speaker. If the rules of the House have been broken, to whom may we turn?

Madam Speaker: I have a feeling that that is less a point of order and more a point of political argument. However, I shall try to give the hon. Gentleman guidance on the matter. Today's proceedings are perfectly in order. I am not sure whether the Deputy Prime Minister will take part in them—I hope that he will—but he is welcome to do that and it is in order for him to do so.

In so far as the hon. Gentleman's point relates to the Deputy Prime Minister's responsibilities as a Minister of the Crown, any complaint or allegation should be made to the Prime Minister. As the hon. Gentleman said, that is not a matter for me. If he wants to make complaints or allegations against the Deputy Prime Minister as an individual Member of Parliament, he should make them to the Parliamentary Commissioner for Standards. Every hon. Member knows those procedures. I hope that I have explained them for the last time.

New Member

The following Member took and subscribed the Oath:

Sandra Julia Gidley, for Romsey.

Ethical Trading

4.20 pm

Mr. Andrew Rowe (Faversham and Mid-Kent): I beg to move,

That leave be given to bring in a Bill to require retailers to apply the same standards when purchasing from other countries as they apply when purchasing within the United Kingdom.

As you know, Madam Speaker, I am the Member of Parliament for Faversham and Mid-Kent. You may not know that my constituency is alleged to contain the largest acreage of top fruit in the United Kingdom. However, given the speed with which fruit farmers are having to grub up their orchards, I wonder how long that privilege will remain.

The House knows that the farming community is going through an extremely bad time. Small farmers are leaving the business and their way of life at ever-increasing speed and there seems to be no light at the end of the tunnel. A strongly held belief in the farming and horticultural communities is that they are frequently prevented from selling their produce to big retailers in this country because the standards that those retailers impose are relaxed for imports. It is hard to establish whether that strongly held belief is wholly or partly true because the big retailers are cagey about how much information they provide. However, it is clear that there is a good case for ensuring that it is no longer reasonable to hold such a belief so strongly.

My simple Bill proposes that it should be illegal for a major food company to import any food product if it can be shown that it has refused to purchase from a British supplier for reasons of standards and that the standard of the food that has been imported is the same or lower than that which it has refused to buy in Britain. That would make it absolutely clear that a level playing exists across the world and ensure that the big retailers, which have such a stranglehold on the market, behave as ethically as they claim.

One of the origins of my Bill was a session that the parliamentary fruit group held with a representative of one of the large supermarkets. He explained persuasively and at great length how ethically his company behaved and how it used its market power to drive up the standards of their suppliers around the world. However, when he was asked whether it would relax those standards if a product ran short and import it from wherever it could be found, he said, "Ah, that is nothing to do with the company; that is to do with the Government."

My Bill aims to provide the Government with the opportunity, within the law, to allow those retailers to feel secure in the knowledge that they can behave as ethically as they claim to do. That is important, because if we are serious about protecting our children from pesticide residues, or if our consumers are anxious about the standards under which pigs or other livestock are reared, it is essential that they should be as well protected from pesticide residues from Spain or the Caribbean as they are from pesticide residues at home. If the retailers are behaving as well as they claim to be, they can have no objection to my Bill, because it merely reinforces the position as it is alleged to be; but if they are not behaving in that way, the Bill will give much-needed protection to British farmers.

Every Member of Parliament has an interest in ensuring that the share of British food sold by British farmers increases. Many of the difficulties of British farming would diminish greatly if we could obtain a larger share of the domestic market, and the cry for increased subsidy would also diminish greatly if we were obtaining a larger share of our home-grown market.

Many of the difficulties of the farming community are caused by the fact that a large number of big purchasers employ young men and women whose arrogance—backed by the power of their companies—is so great that long-established farmers find it difficult to believe what they are told. They often believe that what is being imported is of a lower standard, to their great detriment.

Let me give an example that featured in the debate on labelling initiated by my hon. Friend the Member for Eddisbury (Mr. O'Brien). Chickens from Thailand, having entered this country and been processed in some minor way, are often regarded as British, although as far as anyone can see they contain no British component. They have been shown to contain rather more unwelcome chemicals, or hormones, than they should contain according to British standards. It is that kind of story, multiplied a hundred times, that is causing so much distress in the farming community.

I consider the current state of affairs to be entirely wrong. I believe that my simple little Bill would end it, and I hope very much that the House will allow me to bring it in.

Question put and agreed to.

Bill ordered to be brought in by Mr. Andrew Rowe, Mr. James Gray and Mr. David Prior.

ETHICAL TRADING

Mr. Andrew Rowe accordingly presented a Bill to require retailers to apply the same standards when purchasing from other countries as they apply when purchasing within the United Kingdom: And the same was read the First time; and ordered to be read a Second time on Friday 21 July, and to be printed [Bill 122].

TRANSPORT BILL [*WAYS AND MEANS*] (No. 2)

Resolved,

That, for the purposes of any Act resulting from the Transport Bill, it is expedient to authorise the imposition of charges to corporation tax by provisions relating to transfers connected with railways.—*[Mr. Robert Ainsworth.]*

Transport Bill (Programme)

Motion made, and Question proposed,

That the following provisions shall apply to remaining proceedings on the Transport Bill:—

Timetable

1. Proceedings on Consideration and Third Reading shall be completed in two allotted days.

2.—(1) Subject to the Speaker's power to select the amendments, New Clauses or New Schedules to be proposed, proceedings on Consideration shall be taken in the following Order: New Clauses 35, 36, 37, 26, 5 and 27; other New Clauses relating to Part I; amendments relating to Part I; New Clauses 6 and 14; other New Clauses relating to Part II; amendments relating to Part II; New Clauses 28 and 30; other New Clauses relating to Part III; amendments relating to Part III; amendments 420 and 412; New Clauses relating to Part IV; other amendments relating to Part IV; amendments relating to Clauses 227 to 229 and Schedule 26; New Clause 3; Remaining New Clauses; New Schedules; amendments relating to Clauses 230 to 237 and Schedule 27.

(2) Each part of proceedings on Consideration shall, if not previously concluded, be brought to a conclusion at the time specified in the case of that part in the following Table.

TABLE

Proceedings	*Time for conclusion of proceedings*
First allotted day	
New Clauses 35, 36, 37 and 26.	Four hours after commencement of proceedings on the Motion for this Order
New Clauses 5 and 27; other New Clauses relating to Part I; amendments relating to Part I.	Five and a half hours after commencement of proceedings on the Motion for this Order.
New Clause 6	Six and a half hours after commencement of proceedings on the Motion for this Order
New Clause 14; other New Clauses relating to Part II; amendments up to the end of Clause 123.	Seven and a half hours after commencement of proceedings on the Motion for this Order.
Remaining Amendments to Part II.	Eight hours after commencement of proceedings on the Motion for this Order.
Second allotted day	
New Clause 28.	One and a half hours after commencement of proceedings on the Bill.
New Clause 30; other New Clauses relating to Part III; amendments relating to Part III;	Three hours after commencement of proceedings on the Bill.
Amendment 420	Four hours after commencement of proceedings on the Bill.
Amendment 412; New Clauses relating to Part IV; other amendments relating to Part IV; amendments relating to Clauses 227 to 229 and Schedule 26.	Five hours after commencement of proceedings on the Bill.
New Clause 3; Remaining New Clauses; New Schedules; amendments relating to Clauses 230 to 237 and Schedule 27.	Five and a half hours after commencement of proceedings on the Bill.

3. Proceedings on Third Reading shall, if not previously concluded, be brought to a conclusion six hours after the commencement of proceedings on the Bill on the second allotted day.

Questions to be put

4.—(1) For the purpose of bringing any proceedings to a conclusion in accordance with the preceding provisions the Speaker shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded;

(2) On a Motion for a new Clause or a new Schedule, the Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

(3) If two or more Questions would otherwise fall to be put under sub-paragraph (1)(c) on amendments moved or Motions made by a Minister of the Crown, the Speaker shall instead put a single Question in relation to those amendments or Motions.

Miscellaneous

5. Standing Order No. 15(1) (Exempted business) shall apply to proceedings to which this Order applies.

6.—(1) If at this day's sitting—

(a) a Motion for the Adjournment of the House under Standing Order No. 24 (Adjournment on specific and important matter that should have urgent consideration) stands over to 7.00 p.m.; and

(b) proceedings on the Motion for this Order have begun before that time, the Motion for the Adjournment shall stand over until the adjournment of proceedings on the Bill at this day's sitting.

(2) If on the second allotted day a Motion for the Adjournment of the House under Standing Order No. 24 stands over to 7.00 p.m. or from an earlier day, the Motion shall stand over until the conclusion of proceedings on the Bill.

7. No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken or to recommit the Bill (whether as a whole or otherwise); and the Speaker shall put forthwith any Question necessary to dispose of any such Motion made by a Minister of the Crown, including the Question on any amendment.

8. No dilatory Motion shall be made in relation to the Bill except by a Minister of the Crown; and the Question on any such Motion made by a Minister of the Crown shall be put forthwith.

9. Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to sittings of the House.

10. Standing Order No. 82 (Business Committee) shall not apply to the Bill.

Supplemental orders

11. If any Motion is made by a Minister of the Crown for varying or supplementing the provisions of this Order, proceedings on the Motion shall, if not previously concluded, be brought to a conclusion one hour after they have commenced; and Standing Order No. 15(1) shall apply to those proceedings.

12. If the House is adjourned, or the sitting is suspended—

(a) at this day's sitting, before the adjournment of proceedings on the Bill; or

(b) on the second allotted day, before the conclusion of proceedings on the Bill, no notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

Interpretation

13. In this Order—

"allotted day" means this day and any day on which the Bill is put down on the main business as first Government Order of the Day; and

"the Bill" means the Transport Bill.—*[Mr. Robert Ainsworth.]*

4.28 pm

Mr. Eric Forth (Bromley and Chislehurst): All guillotines are an affront. This is as bad as most, and worse than many.

Guillotines, surely, represent a failure of the parliamentary process. They imply that the House has neither the disposition nor the time to deal properly with the matters at hand. They also render impossible the main function of the House, which is to scrutinise legislation properly; and they deny Back Benchers, in particular, an opportunity to give their attention to it. I suspect that they also imply the existence of an excess of legislation. The fact that a guillotine needs to be introduced at any stage of the parliamentary Session suggests that the Government are putting too much legislation before the House, and the House feels that it is not being given proper time to deal with it.

That applies particularly in the case of this Bill, which by any measure is large and important. One would have thought that the House would want to give a proper amount of time to its consideration—especially at this stage, when we are faced with a substantial number of amendments. I look in particular at the first grouping that is proposed in the timetable motion. Not only are there at least 40 distinct items to be considered in the four hours to be allocated, but they range across very different subjects.

Mr. Richard Shepherd (Aldridge-Brownhills): Four hours are not allocated to that group of amendments. Under Standing Orders, the first three hours are allocated to this debate. If we had three hours on the debate and a Division at the end, the Government would intend to dispose of all those matters within about 40 minutes.

Mr. Forth: I am grateful to my hon. Friend for his correction. I was assuming that, given my customary brevity, the House would not be detained for any great length of time. Depending on what he wishes to say, if he catches your eye, Mr. Deputy Speaker, that may or may not be the case. My hon. Friend is right. In certain circumstances, there could be as little as three hours or less to consider the 40 items that I have mentioned; the four hours are a maximum.

The items range across different issues such as loans and grants, the disposition of shares, directorships, the parliamentary process itself and the key issue of the nature of the company that is to be set up. All those items are supposed to be properly scrutinised and considered in the House of Commons in a period that could be as little as under an hour and that, at most, will be something short of four hours.

That is bad enough. It is proposed to give the next grouping an hour and a half. I count 90 Government amendments and 20 other amendments. How is the House is supposed to consider them properly? That is less than one minute per item, if one wants to look at it in that way. An hour is allocated to a later grouping: it is proposed to deal with 36 Government amendments and seven others in that time.

I do not want to go into any more detail. The matter explains itself. It is a pathetic admission of failure by the House as a whole, by hon. Members and by those who propose the timetable motion because it suggests that the House of Commons has lost interest in its principal function: the proper scrutiny of legislation. The motion arrogantly implies that we Back Benchers should be prepared to allow the matter to slip through—this enormous Bill, this enormous number of amendments—in one brief sitting today of somewhat short of eight hours and in a sitting tomorrow of six hours. It is pathetic.

That the House of Commons should have come to this makes me feel very sad. I would like to think that it will never happen again, but I am not sure, given the Government's propensity not only to bring excessive numbers of Bills before the House—and to make them excessively long—but to be forced by their incompetence to introduce so many amendments to their Bills. All those factors add up to the fact that we can see what the Government's attitude to the House of Commons and its traditional function is. I deprecate the whole thing.

4.33 pm

Mr. Richard Shepherd (Aldridge-Brownhills): My regret goes a little further than that of my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth). On the Order Paper, the motion stands in the name of Front-Bench representatives of the principal parties. They have clearly sat down and considered what is the best way of debating the Bill; I take that on trust because no speech has yet been made to justify why the mechanism is necessary.

Why are we cutting off the rights of Members of Parliament—the representatives of constituencies—to speak? Why are we reducing on the most important issues the ability of any one of us—it is what we were elected for—to speak on behalf of our constituents and to express anxieties or balanced arguments as to why the measures or clauses are appropriate or inappropriate?

Such motions used to be a matter of great solemnity for the House. They were barely used. The Government have now introduced, I think, 36 principal guillotine motions; in fact, there have been nearly 50 guillotine motions. I know that that might even shock the Secretary of State for the Environment, Transport and the Regions. I know how vigorous he was in opposing the decisions of past Conservative Administrations to impose guillotines.

The Secretary of State may think, now that he is in office, that guillotines are right, but when he was not in office, he clearly thought that such motions were wrong. Nevertheless, that seems to be the thought behind the guillotine.

In the House's Standing Orders, three hours are set aside for debate of a guillotine motion. However, even that may be truncated. It is the House's right, by the force of the majority, to ensure that many hon. Members who may wish to speak to these important matters cannot do so. That would be an extraordinary rejection of the very function that we are called here to perform, and of even our name—Parliament.

I take exception to this guillotine motion, which will limit what is perhaps the most important political debate. Perhaps the debate's importance is the reason why the Opposition have been so keen to conduct it in this manner,

[Mr. Richard Shepherd]

raising it to such a prominent position and ensuring that they maximise the Government's discomfiture on it. It is a shortsighted way of considering the matter.

No one doubts that the principle involved in the sell-off of air traffic control is very important. The issue raises in all parties anxieties about the national interest and about who can best guarantee the security of air traffic control. Some people say that the Government can do that best, whereas others say that it can be done best by someone else. Some people ask whether there should be a golden share to ensure that air traffic control cannot be bought by foreign commercial interests and put at ransom.

Every hon. Member knows that all those issues are important. Hon. Members on both sides of the House—but especially Labour Members—are deeply anxious about them. I do not take lightly Labour Members' feelings in voting against the principle proposed by the Government. Many of them will wish to speak in the debate to explain to their constituents why they take a different view, but the motion will deny them the opportunity of doing so.

I have not troubled even to count the number of amendments in the first group, which—if the guillotine debate were to last three hours, plus a Division—we could have only 40 minutes to debate. If we had only 40 minutes, the Secretary of State would have barely enough time to mangle his first sentence. If the process were to continue, the Government would be denying even themselves the ability to justify their case to the House. How can that be right? It is an important argument.

The courtesies have become so trivialised that the Government feel that it is no longer necessary even to explain why a guillotine should be introduced. Even Opposition Front Benchers do not think that it is necessary to justify them.

Mr. Forth: Does my hon. Friend not see the connection between the point that he made initially and the point that he is making now? Presumably, the reason why our Front Benchers do not think that it is necessary to explain the motion to the House is that they believe that a cosy and consensual arrangement made in private is sufficient, and that the House should simply accept whatever our betters on the Front Benches agree. Does he agree that that is a likely reason for the lack of courtesy from Front Benchers?

Mr. Shepherd: Before I answer that, I should first point out that Liberal Democrat Front Benchers have also signed the guillotine motion and do not think that it is necessary to justify cutting people off from speaking. The cosiness of the arrangement—which, as we all know, has been debated in the Modernisation Committee—means that Back Benchers, who comprise the overwhelming majority of the House, march to drums that deny them the opportunity to speak. It is an extraordinary arrangement.

Dr. Desmond Turner (Brighton, Kemptown): Does the hon. Gentleman agree that, by debating the programme motion at length, he and other Opposition Members are contributing towards the restriction of debate in the House? If he wants to debate the substantive issue, it would be best to allow the programme motion to be put to a Division as soon as possible.

Mr. Shepherd: I feel that the hon. Gentleman has not even read the motion before the House, and his point is unwise. He should take the matter up with his own party managers, and ask whether a debate on a substantive matter should be curtailed to 40 minutes because some obstreperous Back Bencher has argued against the motion.

Mr. Bernard Jenkin (North Essex): Both Front-Bench teams have been accused of discourtesy. My hon. Friend will know that I have enormous sympathy for what he is saying, but we were left with a choice between two evils—a programme motion or a guillotine. I venture to suggest that, in this case, a programme motion is preferable to a guillotine, as we can at least guarantee that matters of concern to this House can be discussed. Otherwise, an endless stream of mundane Government amendments could use up the time before the guillotine falls. That is why we have done this. I do not expect my hon. Friend's forgiveness, but I crave his understanding.

Mr. Shepherd: There is no difference between a guillotine and a programme motion, other than the fact that, under a timetable motion, my hon. Friend is saying that he can more judiciously allocate the time allowed for debate. However, that does not work either, as we have one and a half hours to discuss some groupings of amendments.

One must consider the extraordinary nature of the Bill, which weighs a great deal and covers many pages. The amendments are colossal. The House must pause; that is all I am asking. We are giving so little time to important issues, and we are reducing debate so that there is an almost mechanical passage of legislation. There can be almost no thought or reflection on the individual amendments, which are blocked, grouped and marched on.

Previously, we had a guillotine on Lords amendments when the Government used their judgment as to the appropriate time for the guillotine. Out of 11 groupings of amendments upon which Madam Speaker had graciously decided, only four were debated. We do not even debate substantial pieces of legislation now, and that is what angers me. This House is viewed with great contempt because we just seem to be two marching armies. It is as if these are matters for party alone. However, each one of us represents a constituency. By voting to deny ourselves the right to speak on some of these important amendments, we are denying the very justification for our existence in this House.

4.42 pm

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): I intended no offence by not intervening when the motion was moved, because the three main parties had agreed. However, this is a matter for the House. The three Front-Bench teams can get together and make agreements, but the House can agree or reject them. That is what we face.

One distinctive difference between a guillotine and this kind of co-operation on the allocation of time is that one party is not seeking to impose on the other. There is an

agreement—as the hon. Member for North Essex (Mr. Jenkin) said—to seek a better way to deal with the important issues.

I have been in this place for 30 years and I am bound to say that I have heard these arguments from both sides. I am not unsympathetic to the points that have been made, as these are essential democratic issues. It is hoped that many of these issues can be debated in Committee where considerable time is given, but that does not deny the House the right to debate them.

We have faced such problems before—for example, during debates on the Maastricht treaty. I do not know what the right hon. Member for Bromley and Chislehurst (Mr. Forth) thought about that, or whether he voted against the timetable motion. I presume that he did not, as he was a member of the Government.

I have been on both sides of the Chamber dealing with the matter, and we have to find agreements in dealing with legislation. The fundamental point is being looked at by a Committee of this House which will report back to us. This is an agreed timetable, as is made clear in the motion which is signed by the three parties involved in the process. It suggests a sensible and logical consideration of the Bill, and it gives an opportunity for the Opposition to make clear those parts of the Bill that they want to discuss. I can recall several occasions when we discussed all sorts of stupid Government amendments and did not get to the serious issues until 2 or 3 am. We want to discuss the serious issues at a time when the public may be most interested to hear those discussions.

We sought to co-operate with the other parties to devise the right timetable. With all its faults and limitations, the timetable before us represents the best way forward. It also avoids the duplication of debate and makes for speedier consideration.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Will my right hon. Friend bear it in mind that many of us will feel that it is important to vote on more than one of the amendments and new clauses in the first group?

Mr. Prescott: We are trying to find as much time as we can, and I am trying to hurry my contribution, because the longer I am at the Dispatch Box, the more I shorten the period for discussion. That is one reason why I hung back, hoping that we would not have this debate, but the House has the decision in these matters. We have provided a timetable that I believe represents the best way of dealing with the Bill, and I commend the motion to the House.

4.46 pm

Mr. David Wilshire (Spelthorne): I am very conscious that we are eating into debating time for substantive matters, but I want to make one point on behalf of my constituents, bearing in mind that the most recent crash at Heathrow took place in my constituency.

My experience of 13 years in the House has taught me that when we have a programme motion or a guillotine and there are a given number of hours and many people want to speak, it is the matters of principle and philosophy, and the general matters of national concern, that get debated, while the local concerns of my constituents—and, in the context of Heathrow, probably those of the hon. Members for Hayes and Harlington (Mr. McDonnell) and for Feltham and Heston (Mr. Keen)—get squeezed out. With the memory of what has happened in Spelthorne, my constituents would want me to object, very briefly, to that squeezing out of their interests by other people's debates.

Question put and agreed to.

Orders of the Day

Transport Bill

[1ST ALLOTTED DAY]

As amended in the Standing Committee, considered.

New Clause 35

TRANSFER TO BE TO COMPANY OWNED BY CROWN

'.—(1) Any property, rights or liabilities shall only be transferred under a transfer scheme to a company which—

(a) has been formed and registered under the Companies Act 1985 or the Companies (Northern Ireland) Order 1986; and

(b) is wholly owned by the Crown.

(2) For the purposes of this Part a company shall only be regarded as wholly owned by the Crown if each of the issued shares of the company is held by—

(a) the Treasury,

(b) the Secretary of State, or

(c) the nominee of a person falling within paragraph (a) or (b).

(3) A company to which any property, rights or liabilities have been transferred under a transfer scheme shall not issue any shares or share rights unless such shares or share rights are issued to the Treasury, the Secretary of State or a nominee of either of them.

(4) Subject to subsection (5), neither the Treasury, the Secretary of State nor a nominee of either of them shall dispose of any shares or share rights in a company to which any property, rights or liabilities have been transferred under a transfer scheme.

(5) Subsection (4) does not apply to any disposal by the Treasury, the Secretary of State or a nominee or either of them to any other such person.'.—*[Mrs. Dunwoody.]*

Brought up, and read the First time.

4.47 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: New clause 36—*Transfer to be to not for profit company*—

'.—(1) Any property, rights or liabilities shall only be transferred under a transfer scheme to a not for profit company.

(2) The transfer of property, rights or liabilities under a transfer scheme may be by such means, including sale or lease, and on such terms as the Secretary of State, with the approval of the Treasury, may determine.

(3) A transfer scheme shall not come into force unless a draft of the scheme has been laid before and approved by resolution of each House of Parliament.

(4) A not for profit company to which any property, rights or liabilities have been transferred under a transfer scheme shall not—

(a) issue any shares or share rights; or

(b) pay any dividend or profits to its members.

(5) For purposes of this Part, "not for profit company" means a company—

(a) which has been formed and registered as a company limited by guarantee under the Companies Act 1985 or the Companies (Northern Ireland) Order 1986; and

(b) the membership of which, in the opinion of the Secretary of State includes those who are representative of providers, employees and users of aviation, air travel, air navigation and related services.'.

New clause 37—*Parliamentary approval of transfer scheme*—

'.—(1) A transfer scheme made by the CAA or the Secretary of State shall not come into force unless it has been approved by a resolution of each House of Parliament passed on a motion moved by or on behalf of the Secretary of State.

(2) No such motion shall be moved by or on behalf of the Secretary of State unless at least seven days before the date on which the motion is to be debated by either House of Parliament he has caused a report to be laid before both Houses which—

(a) sets out the progress which has been made in respect of any project for the development of facilities connected with national air traffic services which was commissioned by the transferor before the date on which this Act received Royal Assent; and

(b) confirms that the Treasury have given their consent to the proposed transfer.'.

New clause 26—*Disposal of shareholding in designated company*—

'(1) The Secretary of State shall procure the disposal of at least 51 per cent. of the shares in the designated company referred to in section 49 by way of an offer to the public of such shares and shall secure acceptance for an application for admission to the Official List (within the meaning of Part IV of the Financial Services Act 1986) in respect of such shares.

(2) The terms on which such shares are offered to the public, as to price and otherwise, shall be such as the Secretary of State considers appropriate for the purposes of—

(a) securing the best price reasonably obtainable for those shares;

(b) securing widespread ownership of such shares by individual members of the public as well as institutions.

(3) Any transfer or issue of a share or shares pursuant to such offer or any subsequent transfer or issue of a share or shares in the company in question shall have no legal effect (and in particular the transferee or allottee of such share or shares shall not be registered as a member of the company or exercise any rights in respect of such share or shares) if such transfer or issue would result in the legal or beneficial ownership of a majority of shares carrying voting rights in, or control of, the company passing to a person who is not a British citizen.

(4) For the purposes of subsection (3)—

(a) a company shall be deemed to be controlled by a person or persons who singly or together have the right to appoint or remove a majority of the company's board of directors holding a majority of the voting rights at meetings of the board on all, or substantially all, matters or if it is deemed to be controlled for the purposes of section 840 of the Income and Corporation Taxes Act 1988;

(b) a company shall be deemed to be controlled by a person if it is controlled by a company or companies controlled by such a person.

(5) The Secretary of State shall give to any such company as is referred to in section 48(1) above whatever directions may be necessary for implementing the provisions of this section.

(6) The Secretary of State shall only take action under this section or section 49 or exercise any power in respect of the transfer or issue of shares in such company as referred to in section 48(1) if he has first obtained the agreement by resolution of both Houses of Parliament.'.

Amendment No. 421, in clause 40, page 26, line 5, leave out from "which" to end of line 24 and insert—

'contains provisions for the transfer of—

(a) any of the CAA's property, rights or liabilities or of all or part of its undertaking; or

(b) the property, rights or liabilities of a company (the transferor) which is wholly owned by the CAA or all or part of the transferor's undertaking;

to a company which is wholly owned by the Crown.'.

Amendment No. 438, in clause 42, page 27, line 30, leave out from "unless" to end of line 31 and insert—

'a draft of the scheme has been laid before and approved by resolution of each House of Parliament in accordance with section [*Transfer to be to not for profit company*].'

Amendment No. 452, in page 27, line 32, after "that", insert—

'and to section [*Parliamentary approval of transfer scheme*].'.

Amendment No. 439, in page 27, line 33, leave out from "force" to end of line 37.

Amendment No. 440, in page 27, line 40, at beginning insert—

'The Secretary of State may modify a scheme before it is laid in draft before Parliament and'.

Amendment No. 422, in page 27, line 40,, leave out—

'or transferee (other than the Secretary of State)'.

Amendment No. 441, in page 27, line 42, leave out "to approve and modify".

Amendment No. 453, in clause 43, page 28, line 12, at beginning insert—

'Subject to section [*Parliamentary approval of transfer schemes*],'.

Amendment No. 442, in page 28, line 12, after "section", insert—

'shall not come into force unless a draft of the scheme has been laid before and approved by resolution of each House of Parliament in accordance with section [*Transfer to be to not for profit company*] but, subject to that requirement,'.

Amendment No. 423, in clause 45, page 29, line 25, leave out from "scheme" to end of line 34.

Amendment No. 424, in clause 46, page 30, leave out lines 25 to 27.

Amendment No. 425, in page 31, line 1, leave out Clauses 47 to 49.

Amendment No. 454, in clause 49, page 32, line 9, at end insert—

'(2A) The Secretary of State must ensure that the Crown does not dispose of any of the shares it holds in the designated company unless he is satisfied that a scheme is in place to ensure the completion of any project which—

(a) concerns the development of major facilities connected with air traffic services, and

(b) was commissioned before the coming into force of this section by the CAA or a company wholly owned by the CAA.'.

Amendment No. 397, in page 32, line 16, leave out subsection (4).

Amendment No. 455, in page 32, line 33, after "subsection", insert "(2A),".

Amendment No. 456, in page 32, line 35, after "subsection", insert "(2A),".

Amendment No. 396, in page 32, line 37, leave out subsection (9).

Amendment No. 426, in clause 50, page 32, line 39, leave out subsections (1) to (3) and insert—

'(1) The Secretary of State, with the approval of the Treasury, may make loans of such amounts as he thinks fit to a company which is wholly owned by the Crown and to which any property rights or liabilities are transferred under a transfer scheme.'

Amendment No. 444, in page 32, line 39, leave out subsections (1) to (3) and insert—

'(1) The Secretary of State, with the approval of the Treasury, may make loans of such amounts as he thinks fit to a not for profit company to which any property rights or liabilities are transferred under a transfer scheme.'.

Amendment No. 427, in clause 51, page 33, line 29, leave out subsections (1) to (3) and insert—

'(1) The Secretary of State or the Treasury, may guarantee the discharge of any financial obligation of a company (the transferee) which is wholly owned by the Crown and to which any property rights are transferred under a transfer scheme.'.

Amendment No. 445, in page 33, line 29, leave out subsections (1) to (3) and insert—

'(1) The Secretary of State or the Treasury may guarantee the discharge of any financial obligation of a not for profit company to which any property rights or liabilities are transferred under a transfer scheme.'.

Amendment No. 428, in page 33, line 43, leave out subsections (6).

Amendment No. 429, in clause 52, page 34, line 21, leave out subsections (1) to (3) and insert—

'(1) The Secretary of State, with the approval of the Treasury, may make grants towards the expenditure of a company which is wholly owned by the Crown and to which any property rights or liabilities are transferred under a transfer scheme.'.

Amendment No. 446, in page 34, line 21, leave out subsections (1) to (3) and insert—

'(1) The Secretary of State, with the approval of the Treasury, may make grants towards the expenditure of a not for profit company to which any property rights or liabilities are transferred under a transfer scheme.'.

Amendment No. 430, in page 34, line 37, leave out subsection (6).

Amendment No. 431, in page 34, line 40, leave out Clause 53.

Amendment No. 447, in page 35, line 27, leave out Clause 54.

Amendment No. 432, in clause 54, page 35, line 27, leave out subsections (1) to (3) and insert—

'(1) For the purposes of the provisions of the Companies Act 1985 listed in subsection (2) none of the persons listed in subsection (5) is to be regarded as a shadow director of a company which is wholly owned by the Crown and to which any property, rights or liabilities are transferred under a transfer scheme.'.

Amendment No. 433, in page 36, line 8, leave out subsection (5) and insert—

'(1) For the purposes of the provisions of the Companies (Northern Ireland) Order 1996 listed in subsection (4) none of the persons listed in subsection (5) is to be regarded as a shadow direction of a company which is wholly owned by the Crown and to which any property, rights or liabilities are transferred under a transfer scheme.'.

Amendment No. 434, in page 36, line 27, leave out subsections (8) to (11).

Amendment No. 435, in clause 60, page 40, line 23, leave out "47, 48" and insert—

'[*Transfer to be to company owned by Crown*]'.

Amendment No. 448, in page 40, line 23, leave out "47, 48 or".

Amendment No. 436, in page 40, line 28, leave out "47" and insert—

'[*Transfer to be to company owned by Crown*]'.

[Sir Alan Haselhurst]

Amendment No. 449, in page 40, line 28, leave out "47 or".

Amendment No. 437, in page 40, line 30, leave out lines 30 and 31.

Amendment No. 450, in clause 63, page 41, line 5, at end insert—

'(dd) not for profit company'.

Amendment No. 451, in page 41, line 13, at end insert—

'(2A) "Not for profit company" has the meaning given in section [*Transfer to be to not for profit company*].'.

Mrs. Dunwoody: It is important to say at the outset that I have put my name to nearly all the new clauses and amendments, and I hope that the House will be able to decide on the implications of the various suggestions that have been made. I have made it clear that, personally, I do not approve of timetables. The decision about the management of National Air Traffic Services is so important and fundamental that I hope that we will have time to put all the vital points.

The new clause suggests one way in which the electorate as a whole can be absolutely certain that the most fundamental of our rights—the right to know that air safety is in the hands of those who understand and control it—is fully taken account of in legislation.

The Transport Sub-Committee appears to have become the villain of many of our debates. When it discussed this subject, which it did not once but on three separate occasions, it took account of the fact that there were several factors that made it clear that we could not continue with National Air Traffic Services in its current form. There was a need to change, but we thought that the suggestion that NATS should go out to the public market and find money should be examined in the context of its reorganisation.

After all, what does NATS do? It is a fully integrated service, not only providing flight information and weather services but fundamentally controlling the movement of aircraft in the airspace over the United Kingdom, in conjunction with the Ministry of Defence. Given that aircraft use is increasing at a rate of between 5 and 6 per cent. a year and a growing number of people are using increasingly congested air space, if we allow any slippage in the high standard of safety that we enjoy, we shall contribute to a potentially difficult situation.

The Select Committee felt that NATS should have the right to raise the money that was essential for its development and that it could best do that either as a publicly owned corporation or in the other ways that we suggested in our report. We did not feel that there was any suggestion that NATS was not capable of providing high-quality services. Not only are air traffic controllers highly trained and working under enormous pressure, but they are men and women of great expertise and they do not provide a service based on the interests of the shareholders of a particular company; their job is performed wholly on the basis of safety and they are responsible to the entire United Kingdom for the maintenance of high standards.

Having looked at various ways in which other countries across the world have reorganised their air traffic services, the Select Committee felt that the best way to ensure that those high levels of safety were maintained was to keep NATS either as a non-profit making company or, better still, as a publicly owned corporation. That has been made very clear.

It is not true that NATS is not able to act as an adviser or take consultancy work from other air traffic services elsewhere in the world. I received a written answer today which makes it clear that it is already doing precisely that. It is not true that, under the new system, NATS would be able to continue operating as it does now because of something called the golden share. I am afraid that the history of Government privatisations that relied on golden shares is not that Governments maliciously set out to change the conditions under which sales take place, but that, once a strategic partner is in control of the company, it can change the terms and conditions and the way in which the company works. Safety should not depend on a fiduciary duty not to the general public but to shareholders of a particular private company.

I recently attended a lecture where the representative of an airline made it clear what that airline's interests were in pursuing the sale of NATS, by saying to the air traffic controllers who were present, "You must remember that many of the decisions that we take have a direct impact on our commercial affairs and it is therefore essential to us that you are much more understanding of, and responsive to, the needs of individual airline companies." That was not said out of any malice aforethought, but it was a clear indication of the problem that a national air traffic services company would face.

It is important for us to understand that, unlike airports, which can open more shops or expand the services that they offer customers, or airlines which can change the way in which they operate or offer cheaper fares, NATS has one basic and vital function—to ensure safety. It exists to maintain the safety of aircraft in the skies and as they enter and leave our airports and to control air traffic from the continent and across the Atlantic. It exists to ensure that, when we get on any aircraft, we are certain that the men and women operating the movement of those aircraft are answerable only to those who maintain high safety standards and not to anyone seeking to make a profit out of their organisation.

I can give many instances of how the Committee looked at the details. I can answer many of the points that have been made. It is vital that the House asks itself why, before the previous election, the Labour party opposed the sale of NATS. Why did we say that our air was not for sale? It was not because it was an easy, cheap, propaganda point to attract voters but because we understood that, unlike almost any other service, this service is vital to the maintenance of safety and control in the skies over the United Kingdom.

I beg right hon. and hon. Members not to make the mistake of thinking that a simple company reorganisation will maintain the same standards in the future that we have had in the past. Whichever of the three new clauses—35, 36 or 37—right hon. and hon. Members vote on tonight, I ask them to remember that they do so on behalf of every person in the country and, above all, that they do so for the right of the citizens of the United Kingdom to be safe for every moment that they are in the sky.

Mr. Don Foster (Bath): Many right hon. and hon. Members wish to speak. I am delighted to follow the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) and, like her, I will be brief.

The hon. Lady makes it clear that the matter must be decided by the House as a whole. She will recall that, on Second Reading, a number of Labour Members brought forward a reasoned amendment in opposition to the Government's proposals. Unfortunately, at that time, they did not believe it appropriate to move the amendment. It was in fact moved by Conservative Members, and was voted upon—*[Interruption.]*

Mr. Deputy Speaker: I am sorry to interrupt the hon. Gentleman, but there is some device here which is making a noise. Can it please be silenced as quickly as possible? Madam Speaker has made it absolutely clear that this is quite improper. *[Interruption.]* I think that I have seen the source of it.

Mr. Foster: Before that brief interruption, I was saying that there was an opportunity to vote on the issue on Second Reading. The opportunity was not taken then, and we have it again today.

What I believe unites Members on both sides of the House is the wish to see changes in the arrangements for National Air Traffic Services. First, I think that everyone agrees that NATS should be separated from the Civil Aviation Authority. Secondly, I suspect that everyone will see that there are benefits to be gained from introducing into the operation of NATS expertise from the private sector, particularly in relation to management. Thirdly, I suspect that we all agree that there is an urgent need to find ways of enabling NATS to gain funds for future investment, preferably without such funds coming within the public sector borrowing requirement.

I believe that the House is united on those three points. The question therefore is: what is the most appropriate way of ensuring that NATS continues to operate as it does at present, as an organisation that has safety as its No. 1 priority? There are a number of ways of moving forward. The Government have proposed a part-privatisation model. The Conservative party has in the past proposed a complete privatisation model. The model that Liberal Democrats believe to be the most appropriate way in which to achieve the three key objectives to which I referred, and of ensuring that safety remains the paramount issue for the future of NATS, is by establishing an independent, publicly owned company. As we argued strongly in Committee, that particular model would enable the separation of NATS, the introduction of private sector expertise and the ability to raise funds, while ensuring that safety remained the key issue.

5 pm

The Government's proposals have attracted criticism from many quarters. The hon. Member for Crewe and Nantwich has rightly referred to the work of the Transport Sub-Committee, which has issued three reports on this issue. On one occasion, the Committee had a majority of Conservative Members; on two occasions, there was a majority of Labour Members but, each time, the Committee came to the view that the most appropriate way forward was certainly not the one proposed by the Government.

The proposals have also been criticised by airline pilots; they should know—perhaps better than anybody else—about the issues. The British Air Line Pilots Association has been implacable in its opposition to the Government's proposals. The national air traffic controllers, through their union, the Institution of Professionals, Managers and Specialists, have consistently and implacably opposed the proposals. The Parliamentary Advisory Council for Transport Safety is clearly opposed. I hope that there will be opposition from a large number of Government Back Benchers. The proposals certainly do not meet the requirements of the Conservatives nor the requirements and desires of the Liberal Democrats.

On a free vote, there would be no chance whatever that the Government's proposals would go ahead. The hon. Member for Crewe and Nantwich said that the matter was of such vital importance to the public at large that the whole House must decide on it. I very much hope that the Government will ensure that there is sufficient time to vote on new clauses 35, 36 and 37 and that the vast majority of Members on both sides of the House will vote for each of them.

Dr. Gavin Strang (Edinburgh, East and Musselburgh): Like the hon. Member for Bath (Mr. Foster), I served on the Standing Committee. We are discussing hugely important issues. As he pointed out, the Liberal Democrat members of the Standing Committee supported a publicly owned corporation as an alternative to the Government's proposal. That is what new clause 35 would provide.

In her usual powerful and persuasive way, my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) argued that the new clause would meet some of the Government's concerns that the service should borrow directly in the private sector.

New clauses 35, 36 and 37 contain three separate propositions—I shall say a few words about each. New clause 35 deals with the independently owned public corporation. New clause 36 provides for the setting up of a trust along the lines of NAV Canada. Such a trust would include representatives of the airlines, the users, the customers, the trade unions and all who have an interest in the matter. If an independently owned public corporation is not acceptable to the Government, the trust would offer a way of meeting their objectives.

The third proposition—in new clause 37—is quite different. If the Government are not able to accept either of the other models—although I hope that they will accept one of them—surely, at the very minimum, they would agree that we must not take the privatisation route until the new centre at Swanwick and the new Scottish centre at Prestwick are operational.

Those are the three propositions before the House. If the Government are not able to accept them, it is vital—as my hon. Friend the Member for Crewe and Nantwich said—that the House is able to vote on each of them. It would be a travesty of democracy if we were not able to vote separately on each provision. I trust that there will be co-operation to do that.

My hon. Friend dealt with the models for an independent publicly owned company. Such a trust would achieve the Government's objectives because it would split NATS from the Civil Aviation Authority, and allow it to borrow in the private sector and—if the Government want this—to invest overseas. It would achieve all those objectives, so I hope that the Government will be able to accept one of the two models proposed.

If one of those models is not accepted, it is vital that, at the very least, the Government do not move towards privatisation before the Swanwick and Prestwick centres

[Dr. Gavin Strang]

are operational. However, I emphasise that I think that it would be a great mistake to go ahead with the partial privatisation.

As we have been reminded, it was not just anyone but an all-party Select Committee that said that the option in the Bill was the worst of all possible options. Why has no other country in the European Union or the world privatised its air traffic control system? The prime reason, I suggest, is national security. Fortunately, the domestic civil security risk has not been great recently, but the risk of hijacks or bombs on civil planes remains. If the system is publicly owned, there will be better co-operation with the police and the security services than if it were run—this is what the Government intend—by a private commercial company.

The other aspect of national security is the military. The co-operation between National Air Traffic Services and the Royal Air Force is a model for the world. An international crisis could emerge and we might want to take complete control of our airspace. The Government might be clear that that is what they want to do, but control of the operation could remain with a foreign company. That is possible under the Government's proposals and the aims of that company in such a crisis might be different from those of the British Government. No other country in Europe has privatised its air traffic control system because of such national security considerations. To secure maximum co-operation with the security services, the police and the Ministry of Defence, it is best to retain the system in public ownership.

My hon. Friend powerfully made the case for the second model. Privatising the air traffic control system is not like privatising an airline. A privatised airline can provide additional services, improve in-flight catering and do all sorts of things to maximise the return on the capital deployed so as to obtain more private profit. Air traffic control is all about keeping planes apart, but a private company would want a greater return on the capital deployed—Ministers have said that that is the intention—and it would extract profit from the system for private shareholders. The worry is that the only way that it could achieve that is by driving down costs. In time, that could impact on our safety standards, which have been the highest in the world.

The Government have not persuaded the travelling public and many Labour Members and they have not persuaded the pilots or air traffic controllers. The key dialogue in air traffic control is that between the pilot and the air traffic controller, and the Government would make a great mistake if they proceeded with a policy that is opposed by airline pilots.

I urge the Government to reconsider and accept one of the alternative models—the independent publicly owned company or the not-for-profit trust.

Mr. David Chidgey (Eastleigh): I shall not detain the House long, but I wish to point out how much I agree with the views expressed by the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), who moved the new clause, and the right hon. Member for Edinburgh, East and Musselburgh (Dr. Strang). I was reminded very much of the previous Parliament in which I had the privilege of being the Liberal Democrats' spokesman on transport and I sat on the Opposition Benches with Labour Opposition. Members on the Opposition Benches at that time were in total agreement that we should not sell off NATS, so it is strange that this Government now subscribe to the views of the previous Government. I find that rather sad. It is a shame that the Government have not found time to reassure the House by explaining why things have changed since they were in Opposition and since Labour made pledges at its annual conference. I accept that it is entitled to make pledges and that it is a part of politics to do so. However, why have the Government not told the House why things have changed and why it is not possible to maintain their pledges? Why is the organisation for sale when it was not previously? It is disreputable that the Government have not had the confidence to explain to us as a body why we should see the way forward from their point of view.

I have always subscribed to the view that we should bring in the private concepts of an independent publicly operated company. That is a way of introducing the necessary cash flow and revenue. However, we have never seen the need to privatise the system merely to provide more money and to put the operation of National Air Traffic Services and safety at risk.

My final point is constituency based. Some Members may realise that the Euro centre at Swanwick is just over the border of my constituency. I am sure from correspondence that I have had with many of my constituents who work at the centre that they were not expecting to see such a policy. They are genuinely concerned about how they can maintain levels of safety in their work that keep airline operators and airline passengers confident within the proposed regime.

I am not raising party political points. Instead, I am referring to genuine concerns that are felt by people who are highly professional, highly trained and extremely responsible in what they do. I ask the Government to listen carefully to the views of that body of opinion, which has no political axe to grind. It merely wishes to continue to serve the public to the best of its ability.

Ms Sandra Osborne (Ayr): I support amendment No. 454, which stands in my name. It would have the effect of ensuring that major planned development by National Air Traffic Services must be completed. I have a specific interest because, as most Members are aware, the new Scottish centre, which will secure 700 jobs, is in my constituency. As the issue is of such importance to my constituency, I am prepared to prioritise it over other issues. I have to insist that the Government support my amendment, otherwise I shall be unable to support the Government.

I have spoken about NATS on numerous occasions. I have raised many of the issues of concern that have been brought to me by constituents and by representatives of trade unions and the work force at Atlantic house. Ministers are well aware that the proposed public-private partnership does not meet with the approval of the work force for many of the reasons that I stated on Second Reading, which have been repeated this afternoon.

I shall concentrate my comments on the repeated suggestions, especially over recent weeks, that the new Scottish centre will not come about if the public-private partnership goes ahead. I have questioned Ministers on numerous occasions. My right hon. Friend the

Prime Minister has twice publicly reiterated his commitment to the two-centre strategy. As recently as last week, he said that the strategic partnership agreement would guarantee the construction and the continued operation of the new Scottish centre at Prestwick. That was his reply to my question.

As I stated on Second Reading, the work force at Prestwick does not believe that the centre will go ahead. That is hardly surprising because there has been a chronic lack of investment in NATS for many years. That was underpinned by the failed attempts at full-scale privatisation that were made by the Conservatives. I do not believe that the new Scottish centre would go ahead with full privatisation, and neither does anyone else. The period during which no progress has been made in building the centre has resulted in cynicism among the Prestwick work force.

It was announced in 1993 by the Conservative Government that the project would go ahead on the basis of a private finance initiative, but there is still nothing on the ground. The PFI turned out to be unworkable. It would have cost at least twice the original budget of £200 million. It has had to be abandoned in spite of the best efforts of the Government to make it work, along with NATS officials. As hon. Members have said, since then, various Select Committee reports have been published, and the Government have conducted a consultation on the future structure of NATS. The initial contract was signed during that period and £60 million of public money has been released to fund the first phase of the contract. However, there is still nothing on the ground.

5.15 pm

The first phase will consist of building a software system, some design work and eventually, a little initial building work. It is well known that a strong body of opinion in NATS itself feels that there is not any special need for the Prestwick centre. That, too, stems from the previous Government, who called into question the two-centre strategy and asked for a review, which concluded that the two centres were needed. The Labour Government accepted that when they came into power and have made a strong political commitment to providing the centre in Scotland as a replacement for the present facility at Prestwick.

I repeat this evening what I have already told my right hon. Friend the Secretary of State: that is exactly what the people of Scotland expect from a Labour Government. However, it is also feared that a strategic partner will, at some point in the future, renege on the commitment to the two-centre strategy because of the cost and need for profit. There is also anxiety about future contraction of the number of air traffic control centres in Europe. From the outset, I have said that my priority as a local Member of Parliament is securing the 700 jobs in my constituency. For three years, I have made a robust case for considering the options that are proposed in the new clauses.

However, it is clear that the Government intend to proceed with the public-private partnership for National Air Traffic Services. In the circumstances, I am sure that colleagues will seek further assurances on various aspects of the proposals. Indeed, I know that there have been discussions, especially on safety. When the partnership was first proposed, I made an undertaking to ensure that the views of the work force were heard in government. No one in government, from the Prime Minister down, can deny that I have made every effort to represent those views.

At this stage, I wish to ensure that the new Scottish centre is secure now and in future by asking the Government to go a stage beyond guaranteeing the two-centre strategy in the strategic agreement. I hope that Ministers are minded to accept my amendment, which would entrench the new Scottish centre in primary legislation and enable me to do what my predecessor, Phil Gallie, totally failed to do: secure 700 highly skilled jobs at Prestwick and £25 million for the Ayrshire economy.

Dr. Desmond Turner (Brighton, Kemptown): First, I want to reinforce what several hon. Members have said to the Secretary of State: no one questions the need to move NATS forward. The Government's agenda on creating investment, levering in private finance and updating the system is accepted without question. It is simply a matter of how we set about doing that.

In opposition, Labour Members rightly poured scorn on framework legislation introduced by Tory Governments that did not say what it would really do. Similarly, it is a source of regret that the Bill does not say what it will do, although we all know. Hence new clause 37, which would have the virtue of requiring proposals for NATS to be brought to Parliament for a vote by both Houses before any transfer could take place. That practice is the backbone of democracy.

Why are so many Members of Parliament objecting to the public-private partnership? Those objections are not restricted to Labour Members, but are reflected in the views of many Opposition Members.

Basically, as my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) said, the objections boil down to safety, safety and safety again. NATS's whole reason for existence is to promote safety, and so far, nothing has been allowed to stand in the way of that, the result of which has been the development of a safety culture in NATS of which we can all be proud. It is the fact that the men and women working in NATS want it to be safe that makes it safe.

The Government have said that safety will be kept in public hands through the separation of regulation, but I have to tell the Secretary of State that that does not mean much—first, because regulation has effectively been made separate already, and taking NATS out of the CAA merely formalises that arrangement; and, secondly, because, as we all know from recent rail tragedies, the fact that safety regulation exists does not guarantee safety. Nothing can truly guarantee safety, but we can try to get as close as possible to guaranteed safety; whether it is achieved depends on whether the overriding culture of the organisation is the promotion of safety.

Mr. Mark Todd (South Derbyshire): My constituency borders East Midlands airport; indeed, my home lies under the flight path. At that airport, air traffic control is handled entirely by the private sector—by the owners of the airport, which is a large and growing international airport. Should I be concerned?

Dr. Turner: I am glad that my hon. Friend has made that important and valid point, but it does not undermine the case against the PPP. East Midlands is a relatively

[Dr. Turner]

small airport that has relatively little traffic movement compared with major airports such as Heathrow and Gatwick. NATS controls more than 70 per cent. of passenger movements by air in this country. It also controls all en-route cover. Finally and most importantly, NATS sets the standard that private air traffic control operators at less major airports have to follow. I am saying, not that my hon. Friend's constituents should feel unsafe, but that they might not feel as safe if NATS were privatised. Therefore, my hon. Friend's point does not undermine my argument.

Mrs. Maria Fyfe (Glasgow, Maryhill): Has my hon. Friend seen a letter in *The Guardian* from Paul Noon, the general secretary of the Institution of Professionals, Managers and Specialists, in which he points out that 87 per cent. of passengers at all UK airports are handled by NATS?

Dr. Turner: I thank my hon. Friend for that intervention—I had not seen the letter, which underscores my argument.

At issue is not whether NATS should be moved forward, but the means by which we finance its development and the mode of governance we establish. We are all happy to lever in private finance and get NATS out of the public sector borrowing requirement, so that public funds can be used for other priorities. That is fine; no one in the House cavils at that for one moment. However, there are plenty of alternative ways of skinning this cat, and two of them are before the House in the form of new clauses 35 and 36.

Either of those proposals will suit the situation. They have their different merits; we know, for a start, that the trust model, as exemplified by NAV Canada, works. It has been in operation for several years, it has been highly successful, it has raised safety standards, and the costs of air traffic control in Canada are falling. As far as anyone can tell, it is totally successful. Such a model would achieve all the things that the Secretary of State wants, and would not bring the profit motive into conflict with safety.

It has been said in this argument that people who are unhappy with the public-private partnership are unhappy for ideological reasons. I assure the Secretary of State that that is not so. I am perfectly happy with PPPs. One does not hear a great deal of complaint about such partnerships for hospitals, because people want their hospitals. However, we do not ask the PPP building consortium for hospitals to supply specialist medical services—do we?—because that is obviously not appropriate.

Happily, my constituency is benefiting from PPPs for schools. That is great; I am very glad—it is the only way to get those schools that quickly. However, nobody is asking the building consortium to do the teaching—are they? A PPP is proposed for the tube, but operation of the tube, as the Secretary of State clearly said, is to remain in public hands. The Secretary of State was most emphatic about that, and safety was one of the considerations. If that argument is good enough for the tube, if safety is critical to the tube, it is doubly critical for the much more complex matter of air traffic control.

It has been argued that because airlines are private, and fairly safe, the Government's proposal must be all right. Of course, if one does not think that an airline is safe, one does not have to fly with it. One flies with an airline that has a good safety record. One can choose one's airline, but one cannot choose one's air traffic control service. That is the difference.

I end by making a plea to the Secretary of State. The conflict between the profit motive and the safety culture, which is inevitable in the structure that he is proposing, need not arise. Does he understand that, although many Labour Members will support the amendments and new clauses—effectively voting against the Government—most of us are extremely loyal Government Back Benchers, and it is a matter of great pain to us to find ourselves forced into so doing? Personally, I am satisfied that the PPP, as set forth, involves a very serious possibility of endangering lives in future. My conscience will not permit me to ignore that. I fancy that the same is true of many hon. Members.

5.30 pm

Mr. David Wilshire (Spelthorne): I had not intended to speak until I heard the hon. Member for Brighton, Kemptown (Dr. Turner) express my fears. The hon. Member for Crewe and Nantwich (Mrs. Dunwoody) began the debate by making clear what I regard to be the fundamental issue at stake: safety.

During the debate on the timetable motion, I reminded hon. Members who were present that the most recent crash at Heathrow was in my constituency. Because of that, and because of the seriousness of the issues raised by the hon. Member for Kemptown, I have not the slightest wish to play party politics in the debate. I believe that I speak on behalf not only of all 23,000 of my constituents who voted for me at the election, but of all 19,000 who voted for the Labour party, and all 6,000 who voted Liberal Democrat. I am convinced that we all see the matter in the same way.

I shall not make a speech. I merely ask the Secretary of State one clear, simple question, which I shall be eternally grateful if he will answer in an equally simple and straightforward way, so that all my constituents can be clear about what the Government are proposing. The question is this: will the Secretary of State's proposals make things safer for my constituents? That is all they want to know. All the other arguments are peripheral to the question whether they will be safer if the Secretary of State's wishes prevail tonight. I should be grateful if he would give me a clear answer when he responds.

Mr. Todd: I shall be brief. My difficulty in the debate has been the focus on safety and the direct relationship of that argument to the question whether the private sector controls any part of the service. As my intervention indicated, that is partly based on my local experience.

I should declare that my brother-in-law is an air traffic controller who works for the private sector. I have spoken to him about his role and he has given his opinions, which have had little bearing on mine. Nevertheless, I have listened to someone who had some expertise in the matter.

Clearly, although the 13 per cent. mentioned by my hon. Friend the Member for Glasgow, Maryhill (Mrs. Fyfe) is correct, in many instances the private sector provides the totality of the air traffic control service at particular airports—not for the en-route traffic, but at particular airports. I cannot see why there is an objection to the introduction of private finance to other aspects of the air traffic control service.

Aircraft are constructed and maintained by the private sector, and airports and airlines are run by the private sector. The air services are controlled by the private sector now.

Mr. Tam Dalyell (Linlithgow): East Midlands is an important airport; so is Edinburgh airport. The pilots tell us that there is no problem going into Edinburgh, Glasgow or East Midlands. The problem is going into the fourth busiest airport in the world—Gatwick—and the busiest airport in the world—Heathrow. The issue is control over the overcrowded skies on the approach to the city of London.

Mr. Todd: I thank my hon. Friend for that intervention. He qualifies the position somewhat, by saying that it is a matter of the scale of the operation, not the principle involved. That is a useful development.

My concern is about the emphasis that has been placed on safety as the overriding reason for excluding private sector finance. As I said, we already have plenty of examples of that in the provision of air services in this country.

Mrs. Dunwoody: I am grateful to my hon. Friend for giving way. Does he seriously think that if there is a legal duty on air traffic controllers to consider the interests of their shareholders, they will behave in exactly the same way as if they have a responsibility to consider only the safe passage of air transport in the United Kingdom?

Mr. Todd: I thank my hon. Friend. I worked in the private sector virtually all my working life, and I never regarded myself as having a legal duty to have regard to the shareholders. I had a legal duty to carry out the tasks given to me. I was not involved in the safety aspect, but I also had a responsibility to my own conscience. I would not expect that to be overridden in any circumstances.

Dr. Desmond Turner: Will my hon. Friend give way?

Mr. Todd: I am being more generous than others, but I shall give way.

Dr. Turner: I am grateful to my hon. Friend for returning the compliment. The debate is not about private finance per se, because there is no specific opposition to the use of private finance. The debate is about private, for-profit governance. I hope that my hon. Friend will deal with that point.

Mr. Todd: Indeed. I would have preferred a debate about the relative merits of the Government's model in ensuring corporate governance to focusing on safety as the key aspect of our discussions. My hon. Friend has begun to move in that direction, and that is welcome. There are genuine questions about which model produces the best means of modernising NATS.

I am inclined to support the Government's approach because of the prospect of more robust management in the service, based on the new en-route centre project. I have long held the view that the management of highly complex technology projects in the public sector has been almost universally poor. We must tackle that problem, and that is the second reason for my support for the Government's position: it offers a better prospect of producing successful, high-technology control systems for our airspace.

I have listened carefully to the debate, and I have read the Select Committee report, which was informative. However, none of the arguments deals with the points that worry me. First, the private sector in this country already has safety models. I do not believe that I should return to my constituency and tell my constituents that they should be alarmed by the prospect of the private sector controlling the airspace over their homes.

Mr. John Smith (Vale of Glamorgan): My hon. Friend has been generous in giving way. Does he know that NATS operates in a private environment at some airports and provides not only air traffic services but Ministry of Defence and en-route services, albeit not on the scale of the operation at Gatwick?

Mr. Todd: That is an important point. Many services that NATS wins—that is a key word—in a competitive tendering process, are won on a commercial basis. They are subject to commercial contracts, which the relevant airline operators award.

My short contribution has lengthened because of interventions, but I have tried to make the point that the private sector model is not a problem per se. However, I shall listen to the rest of the debate carefully and learn from it, because I am interested in the model that will best produce a modern and effective air traffic control system to secure as far as possible—it cannot be guaranteed—the safety of air travellers and those who live near flight paths.

Mr. Martin Salter (Reading, West): After 18 months of imploring Ministers from the Prime Minister down to reconsider plans to privatise the control of this country's airspace, I am sad to face the prospect tonight of voting against my Government for the first time to keep faith with a clear pre-election pledge that I gave my constituents and that the Labour party gave the public.

Government is a messy business; it is about doing what works, making compromises, listening to a broad range of views and acting accordingly. In my short time in this place, various Bills have received a bumpy ride, not because of the tactics of Opposition Members, much as they would like to believe that they were responsible, but because of the legitimate anxieties of the Government's supporters. I am thinking in particular of lone parent benefit, welfare reform, the Freedom of Information Bill and the Immigration and Asylum Act 1999.

In almost every case, the Ministers in charge listened carefully to the concerns and, after due modification, we ended up with better legislation and a happier parliamentary Labour party. I regret that I am unable to report any such substantial progress on the private-public partnership for National Air Traffic Services. In fact, there will be no partnership and the Bill alarms us even more because the Government propose to sell off 75 per cent. of NATS shares. That is some partnership—a 75:25 split. It is nothing short of privatisation and it breaks the bond of trust that we made with the electorate, the travelling public and the men and women who gave us the finest, most efficient and safest air traffic service in the world.

I have listened to the arguments about private finance and will deal with them later, but I must tell those who laud the fact that non-NATS staff in the private sector

[Mr. Martin Salter]

handle a few air traffic movements that the logical extension of that argument is full-scale privatisation of the service, not a part privatisation. If that is what people want, they should say so.

I thoroughly endorse the new clauses, especially new clause 36, which proposes the trust model. I want to examine briefly the case against the Government's proposals and in favour of establishing that trust, as recommended by the Labour-dominated Transport Sub-Committee. Several cases can be made against the PPP, even in its 49 per cent. form. There is a political case: it clearly breaches the spirit of what we said before the election. There is strong opposition in the House and the country. The last opinion poll data showed that 72 per cent. of the public oppose even the partial privatisation of NATS. This is a matter of trust in more than one sense.

There is an economic case against the PPP, even in its original form. As the Select Committee report and all the other data made clear, aircraft movements have increased by 7 to 8 per cent. year on year. The industry is highly profitable, but it is a safety industry. In 1998–99, it returned pre-tax profits of £64 million. In many years, it has returned a surplus to the Treasury of between £30 million and £40 million. We shall forgo that if we go down this road. The capital receipt, at the upper end of the estimates, would perhaps be some £600 million. Let us set that against the Budget surplus and the increased revenues to the Exchequer, which we all welcome.

There is a safety case, but I shall not emphasise it. Perhaps it has been emphasised too much—my hon. Friend the Member for South Derbyshire (Mr. Todd) nods—and there are powerful political, economic and military and defence cases against the proposal. Our airspace is controlled by the public sector—not from East Midlands airport—so there is a tremendous sharing of military intelligence and information with the armed forces and our NATO allies. Imagine what would happen if we sold off 75 per cent. of the shares in our airspace to, for example, a Serbian-owned company. Imagine the reluctance to undertake the military co-operation that served us so well in the Balkans conflict.

The Government have clear objectives—I have always said that they are entirely laudable—but we desperately need the lateral thinking to deliver those objectives without breaching a pre-election pledge and without the dangers of privatisation. They rightly want to take NATS out of the public sector borrowing requirement. They want it to break free from Treasury orthodoxy. We have achieved that with the Post Office; we can deliver it with either of the models in new clauses 35 or 36.

5.45 pm

The Government want to deliver an investment stream. We all want to do that, and it can be done by means of either the trust or the IPOC—independent publicly owned company—model. We want to achieve a separation in respect of the CAA and the operational requirements of NATS. In effect that happens already, but hon. Members should bear in mind the fact that the CAA lays down only the minimum standard, while NATS operates far above that standard. It is dishonest to suggest that we are providing a safer service as a result of that separation. If we returned to CAA standards, we would be delivering a worse service, so that argument does not stand up.

Yes, we need private-sector management. I am not an ideologue in that regard. I have taken on colleagues in this place who have argued for the return of the Atomic Weapons Establishment at Aldermaston to the Ministry of Defence, which is the last organisation that should run it. It is a question of who runs the service best. How do we achieve the balance between public concern for public safety and the dynamism of private-sector management? The answer lies in the Select Committee's recommendation of a "not for profit trust".

What will the trust model deliver for us? It will certainly deliver the cash. It worked in Canada, which established NAV Canada in 1995. NAV Canada operated successfully for more than five years, and in the first year delivered from the banks and the private sector an investment stream of $3 billion. The trust model works. It does not compromise safety; it is not subject to takeovers by foreign banks, foreign powers, foreign nationals or Asil Nadir—or any other person in the queue to fund the Tory party. It delivers accountability. It is outwith Treasury rules, so there is no need to compete for hard-earned public resources for schools, hospitals, firefighters and so on. It is politically in line with what we are achieving following our pre-election pledge. Perhaps most tellingly, it has support from surprising quarters.

> If the government had decided to adopt this trust model, I doubt there would have been any opposition from the CAA or NATS.

Who said that? None other than Mr. Bill Semple, NATS chief executive, on 22 March 1999. So there we have it: the case for the trust, and the case for keeping our bond of trust.

For the last time, I implore the Government to think again. The case for privatisation has not been made. The Government have not only lost the argument, but failed to take with them the air traffic controllers and pilots on whom our lives depend when we take to the skies. They have failed to convince the public, 72 per cent. of whom are against the proposals, and they have failed to convince their supporters in this place. Only as a result of the legitimate work of the Whips, to whose efficiency I pay tribute, will Members go into the Lobby to support the Government's proposals—in many cases against their better instincts, and in many cases against their consciences. I know that, because I have had conversations about the issue for months.

The safety of the skies, and the safety of my constituents who live under the Heathrow flight path, is too important to be sacrificed on the altar of political virility. This is a privatisation too far—for goodness sake drop it, and drop it now.

Mr. Sam Galbraith (Strathkelvin and Bearsden): I want to concentrate on amendment No. 454, tabled by my hon. Friend the Member for Ayr (Ms Osborne), but first let me make a few comments about the debate that has taken place so far.

Clearly, everyone agrees that the status quo is not an option; the question is, what is the best model to choose? I have listened to some of the arguments against the Government's proposal. The security argument struck me as slightly tenuous and dubious. I have attended debates on similar issues, and security red herrings have always featured. As I consider the argument advanced today to be such a red herring, I shall not say much more about it.

The safety argument is valid, in that we must not do anything to compromise safety. However, I was rather turned off the safety argument when we got into the debate about only 17 per cent. of air traffic control being in the private sector. I did not quite follow the logic of saying, "If it is a small place, you could have a profit motive, but if it was a busier place you could not." I did not quite understand. That seems an argument about numbers. It might be about the experience on staffing levels, but it did not seem to be simply about private ownership. That was one of the things that swayed my mind.

Mr. Dalyell: The trouble is what the pilots who are going into Gatwick and Heathrow believe. All we can report is that they believe that overall control gives them the confidence in a stressful situation.

Mr. Galbraith: Belief is an important factor that we should always consider, but belief is not necessarily fact. People used to believe that the world was flat, but that did not make it flat. Therefore, people's belief is a different issue in these matters.

I do not have to go through all the arguments that people have.

Dr. Strang: Like many of us, my hon. Friend probably flies into Heathrow quite a lot. If he were to stand on the A4 on a Sunday evening, look up in the sky and see all the planes queueing up and coming into the airport, he would realise that there is no comparison between the challenge faced by the aircraft traffic control system there and that faced by some of the small airports. However, it is not just about Heathrow and Gatwick; it is about all the en-route traffic that is the responsibility of NATS.

Mr. Galbraith: I agree. There is no comparison. There is a difference, but the principle that I have been hearing is that if the service is privately owned, there is a threat to safety and, if it is publicly owned, there is not. It should apply across the board. It is not something that we can start chopping up, saying, "It depends on the amount of aircraft that goes in or out." What is the level? Fifty per cent? Seventy-five per cent?

Dr. Desmond Turner *rose—*

Mr. Galbraith: I have obviously started a debate.

Dr. Turner: Does my hon. Friend agree that it is vital to control any form of risk and we are dealing with a highly safety-critical area? At present, in, if you like, meaningful large-scale air traffic control—which sets the standard—there is no risk element from profit motive coming into contest with the safety prerogative. Pressure on air traffic control systems can only increase; the risk elements can only increase. Is it not unwise to introduce another potential risk element to the equation?

Mr. Galbraith: Again, I do not quite follow the logic. Risk will vary with any reason. If it is risky at one level, it is risky at the other. Degrees of risk might vary, but I do not follow the logic and where the dividing line comes.

Mrs. Dunwoody: Will my hon. Friend give way?

Mr. Galbraith: This is amazing. I am more than delighted to give way to my hon. Friend.

Mrs. Dunwoody: If my hon. Friend were operating in a private hospital as a neurosurgeon and were told that it was more important that he operated much more frequently to make a bigger profit, would he rather operate in a private, profit-driven hospital or in the national health service?

Mr. Galbraith: The thing that controlled my work in the public sector was laziness because I could not be bothered working too much, so I will just leave it at that.

I drive home the point. What is the level of traffic that makes it dangerous to be owned privately, but not to be owned publicly? Let us have a figure. *[Interruption.]* Much more than could be coped with? What level is much more than could be coped with?

Mr. Michael Connarty (Falkirk, East): One more.

Mr. Galbraith: That is a false logic.

On the argument that the service must be publicly owned for safety reasons, I do not have to go through all the various examples, but the publicly owned Chernobyl comes to mind. I do not think the argument follows.

May I move on to say a few words on behalf of the amendment tabled by my hon. Friend the Member for Ayr? I hope that the Government will consider accepting it. The whole matter has been dogged for a number of years—it was particularly the case under the previous Government—by a lack of commitment to the two-centre strategy. It has constantly cropped up. The issue has arisen again. It is producing great uncertainty and doubt in Ayrshire, including in my hon. Friend's constituency. She is to be highly commended for, and congratulated on, her sterling work for her constituents and on fighting for jobs and investment, something which her predecessor never did, or was not capable of doing. I hope that we can lay the issue to rest and build the provision into the fabric of the Bill, so that the matter can no longer be used as a red herring.

The question of how best to operate the service is a difficult one. Everyone is agreed that the status quo is not an option. I happen to think, particularly having listened to the debate and the false logic involved, that the Government have got it right. That is why I will be happy to support them in the Lobby.

Mr. John McDonnell (Hayes and Harlington): I speak from a constituency interest, as well as from a party interest, I suppose. Heathrow is in my constituency. Many of my constituents live under the flight paths. Many of them work at Heathrow, so I have a direct constituency interest and in no way apologise for raising the issue of safety again.

Not a single constituent in my constituency with any involvement in the aviation industry supports the proposal. I have consulted at length within my community. I have met not just trade unions, but members of the community who have worked in the industry for a long time as individuals. I have met air traffic controllers.

We gave commitments before the last general election. Letters went to some of my constituents informing them that the air was not for sale. They believe that a singular act of political disingenuity is being done today.

Air traffic controllers in my constituency have served the country well. They have given us possibly the safest form of transport over the years and the safest aviation industry in the world. Our amendments seek to retain

[Mr. John McDonnell]

NATS as a public service in some form. They try to commit us to the promise that we made before the last general election.

The proposal will enable NATS to operate within a commercial structure that will provide the commercial freedom that the Government seek and that the Deputy Prime Minister considers desirable. It is not an argument for the status quo. We have already dealt with that discussion. We all accept the split between the CAA and NATS. It is a compromise; both the IPOC—the independent publicly owned company—and the trust are compromises. It is a desperate plea from me and from many of my comrades and constituents.

Last Thursday, at the London elections, I met lifelong Labour supporters who were not voting Labour for the first time in their lives. We had a virtual strike among campaign activists because we had stopped listening to them. The amendments are a plea to the Deputy Prime Minister and others to listen to what our people are saying. They do not want any further privatisations. No matter how much we try to dress this one up—I have put the arguments—whether it be as a part sale, a public-private partnership, the introduction of commercial disciplines and incentives or whatever, the general public and Labour supporters in particular throughout the country view it as a privatisation and—I echo what has been said—a privatisation too far. They are right because, as has been said, we now find that, in the legislation, the potential private sector stake is not restricted to the initial allocation of shares.

When we discussed that before, I was anxious about only 49 per cent. being retained by the Government. Five per cent. was to go to staff and 46 per cent. to the private sector, but, in future, according to the legislation, there will be no restriction on the privatised NATS issuing further shares to raise finance. The only bottom line on the eventual size of Government shareholding is 25 per cent. At that point, 70 per cent. of shares will be in the hands of the private sector. I call that privatisation; I believe that most people will believe that it is full privatisation.

6 pm

As for employee shareholding, yesterday, in a letter from Lord Macdonald, we were informed:

> Staff shares can only be sold to other staff or a staff trust.

I cannot find anything in the Bill that guarantees that.

After a certain time, 75 per cent. of the shares could be in private hands. The private hands could be those of the private sector strategic partner that the Deputy Prime Minister has prayed in aid in supporting the legislation, the Airline Group. Eventually, that group could possess control.

Mr. Peter L. Pike (Burnley): Is my hon. Friend aware that, when the Trustee Savings Banks Act 1985 was passed, certain time-limited safeguards were provided on the maximum size of any one shareholding? Once those safeguards lapsed, the entire shareholding situation changed, and, very rapidly, TSB went with Lloyds.

Mr. McDonnell: My hon. Friend is an experienced Member. He makes a valid point and offers a history lesson that we should all bear in mind as we debate the proposal.

As I said, the Airline Group has been prayed in aid in support of the proposal. Of course it supports the proposal. It could gain control not only of the NATS company, but of the air itself. A few months ago, in *The Observer* business section, a leak revealed that the beneficent, altruistic Airline Group, which wants to become the key shareholder under the proposal, has initiated a discussion on how the airlines comprising the group could receive preferential treatment and access via NATS, which they would jointly own and control. I believe that the Airline Group is proposing a physical and financial cartel. The legislation, however, contains no provision to prevent such a cartel from being created.

Interestingly, yesterday's letter from Lord Macdonald reveals that, although the Government are willing to countenance a NATS board where the private sector may have 75 per cent. control, there will be no representation on it for trade unions. Instead, trade unions will be offered a stakeholder consultative council in which they will be but one interest among many. That is not a partnership, but a sell-out. It is a takeover.

I make no apology for raising the safety issue. After the railways were privatised, we had Southall and Paddington, which is down the track from my constituency. I lost constituents. Those disasters put beyond doubt the link between privatisation and public safety. The public sector should have the preponderant role in guaranteeing public safety. In the past fortnight, we have even had reports of complaints about private bus companies' safety policy in recruiting drivers.

In this debate, we have discussed balances of proportionality in safety. Just to put it beyond doubt, the fact is that those who know the aviation industry tell us that there are doubts about safety in the private sector. In 1999, the Environment, Transport and Regional Affairs Committee reported on aviation safety, and it drew the Government's attention to the safety risks posed by commercial pressures in the aviation industry. I invite hon. Members to read that report, which states:

> in spite of the protestations of the airlines that "safety [is] our most important priority . . . [we] do not seek competitive advantage as far as safety is concerned", concern remains that in the event of conflict between safety considerations and profit margins, airlines may favour their profit margins.

Aviation safety is already a concern.

In theory—let us get the theory right—there is a view that commercial pressures within a privately owned company create risks to safety. It does not require a great theoretical leap to understand why. A private company's first priority is profit; every other factor is secondary and short term. The public-private partnership needs to produce a return for its shareholders. The company will not be able to increase charges, so profits can be maintained only by reducing costs, which entails reducing staff and cutting equipment.

The Government do not accept that that creates a risk. However, when I take off in an airplane with my family, I want to hear reassurances about safety not from the Deputy Prime Minister, but from pilots, backed up by professional air traffic controllers. Those who are strongest in opposing the proposal are pilots, air traffic controllers and our own Transport Sub-Committee.

It is not as though the Committee has not had a good go at this type of proposal. Year after year, we have had reports—they could not have been more categorical—

advising the current Government, and the previous one, that this proposal is the worst possible option. It is the worst because it privatises part of the regulation system. Air traffic controllers are a part of that system—keeping people apart and dealing with commercial competition between airlines—but we are selling them out.

As has already been said today, no other country has privatised its air traffic services. The Government have seized on the comments of a visiting Dutch Minister, who said that his country may consider such a proposal and that it is an interesting option. Pardon me, but I do not think that that constitutes an international riot clamouring for privatisation.

The Government have circulated detailed notes on discussions on safety that were held last week between unions and the Government. I am grateful for them, but I also note that they show that the unions refused to sign up to the proposal or to state that they were satisfied about safety. Today, they have reiterated in their briefings to us that they do not support the proposal, which they believe will increase risk to the travelling public.

Let us be honest with people. How did the proposal arise? It was made because, in the previous general election campaign, the Tories found a black hole in our budgetary plans. The telephone call went out to each Front-Bench team to find a few hundred million, and the proposal was plucked out of the air. Let us not kid ourselves about it. The proposal is a political disaster and, potentially, a physical disaster.

My constituents are the ones who are most at risk. They will never forgive a Government who put dogma before their safety. As has already been said, those who have attacked my constituents for their opposition to the proposal have attributed to them two motives, the first of which is industrial. However, the fact is that my air traffic controller constituents are passing up a £13 million handout because they want to keep the skies safe.

Ideology is supposed to be the second motive for opposition to the proposal, but I say that ideology is forcing the proposal on us. There are now some Labour Members who think, "Public sector bad, private sector good." As a previous leader of our party said, when theory gets pickled into dogma, we wind up with a Labour Government privatising our air.

Brian Cooper was one of the train drivers who died at Paddington. He was my constituent. Based on my memory, I will never support a further privatisation. I will vote for this group of amendments.

Mr. Donald Gorrie (Edinburgh, West): I should like to respond to the speech by my fellow countryman, the hon. Member for Strathkelvin and Bearsden (Mr. Galbraith), but also to animadvert on the absence of some of my other countrymen. The Scottish National party made a big issue of the proposals in the Scottish Parliament, where it has no authority over them at all, but SNP Members have declined to appear in the Chamber to participate in today's debate. Some of them may come to vote, but I have seen none in the building.

The three main arguments on the subject, to which I have listened with great interest, boil down to a safety issue, a political continuity issue and the fact that those who know about the subject say that they disagree with the proposals. National security is an additional issue.

Like the rest of us, the hon. Member for Strathkelvin and Bearsden can make up his own mind on safety. However, the argument that airplanes flying into Heathrow and Gatwick will be safer if air traffic services are under commercial pressure to make a profit is not an intellectual concept that I can sign up to.

The political continuity argument is important, but the hon. Gentleman did not deal with it. Things change. It is legitimate for a party to change its position in the light of changing circumstances. Ministers' position would be legitimate if they could say, "We promised in the past that we would oppose privatisation or partial privatisation of air traffic control. However, things have changed in the following ways, and we have therefore changed our mind." That would be legitimate, but Ministers have not done it. They have merely adopted this new policy. I think that such ditching of promises contributes to the low turnouts at elections. There is a clear connection between the public being turned off—or scunnered, as we say in Scotland—by politicians who, collectively, do not stay firm on what we have said we would do.

Mr. Robert Syms (Poole): Like Scottish student fees.

Mr. Gorrie: We have delivered on Scottish student fees. I would be happy to argue with the hon. Gentleman about that at another time.

With all due respect, neither the hon. Member for Strathkelvin and Bearsden nor I know all that much about radar and air traffic control. The people who do know about it are all against the Government on this. Surely it is compelling that those who work in the area and have no axe to grind in terms of profit are all on the same side. The House should support them, and not listen to Ministers who seem to be driven by some extraordinary remote control.

Mr. Geraint Davies (Croydon, Central): I wish to make a short speech in favour of the Government's proposal. I declare a personal interest, in that, over the years, I have flown thousands of passengers on holiday—using NATS, of course—and I have a vested interest in keeping them alive.

Any private operation has a concern for safety in terms of commercial viability and being sensitive to customers. There are a number of common objectives across the House, including the guarantee of heavy investment to secure the best air traffic management and safety system in the world. The system must become a benchmark for best practice. Beyond that, we want to extend our operations into European air space and to be a model for other air traffic control systems.

We do not have a standstill situation. It is not good enough for people to say that we have the best system in the world, and that it will remain the best in the world. Britain is the biggest hub for international airlines in the world, and business is growing by 6 per cent. a year. To continue as we are is not a sustainable option. The reality is that the system is becoming more complex and more congested.

Who has the resources in terms of skills and technology—as well as cash—to sort it out? What is the best incentive structure for efficiency and safety? Not every speaker has approached the issues in an upfront way.

[Mr. Geraint Davies]

Frankly, in certain airports, NATS needs to deliver safety systems that are not being delivered. In Edinburgh, we want a new NATS to bring in a requirement for night-time approach radar at affordable prices. That service should be deliverable to all significant airports as congestion grows.

Those who think that NATS is great and that everything is all right should know that this is a moving picture, and we need a system that delivers increasing standards and provisions. Those who speak about increasing congestion at Heathrow and Gatwick are right, and that is the very reason why we need a mechanism for more investment and skills.

Mr. Connarty: My ears pricked up when I heard my hon. Friend mention increased services in Edinburgh. Is there any suggestion or evidence that those could not be delivered by the trust model or by a wholly publicly owned company if it were allowed to get the money from the private sector?

Mr. Davies: We need increasing standards and resources from the CAA. We need also to be confident that those complex services are delivered. I am trying to show that the model put forward by the Government satisfies all those criteria. It is not enough to say that we can fund safety, and we need to investigate the matter carefully. I recognise the sincerity and commitment of those who argue for fresh resourcing for the current system, and I respect their position. However, I ask everyone to listen to all sides of the debate.

6.15 pm

There is some consensus in the industry—across the airlines, the pilots and the unions—in terms of a public-private partnership. One would not have thought that from listening to some of the speeches today. Some of the unions—including the pilots—are sympathetic towards public-private partnership. There is a debate about corporate governance, and there is consensus that extra cash should not necessarily be at the whim of individual Governments, who will have priorities such as the NHS.

There is consensus on the need for certainty in investment flows. There is consensus on the opportunity for risk transfer into areas where risk can be managed more effectively, such as information technology systems. There is a view that there is something to be added from the private sector. The horizons for air traffic control should go beyond UK airspace, or any European airspace, and into other airspace. With the current dynamics of the industry, it is not enough simply to think about planes flying over Britain.

I am not of the view that the private sector necessarily does project management better than the public sector. The Croydon tramlink—a public-private partnership—is four months late. However, the point is that the cost of the delay is with the private sector, not the public sector, and there is a lot of pressure to deliver. Nobody is saying that the private sector manages everything well, but there is an issue of risk transfer and of who does what best.

People have focused on the tensions between safety and profit, and between operational standards and costs. Those are relevant, and it is not enough to dismiss them. The Select Committee recommended that the CAA should be separate from NATS, and everyone agrees on that. That separation of regulation from operation has been introduced on the railways and is much to be welcomed. Ministers must underline the fact that the CAA's guidance and operation should be transparent so that people know what is happening and that safety is being enforced.

We have debated whether the profit motive is in collision with the idea of investing in safety. If the new NATS has ambitions to take over European airspace and to sell itself as a model of best practice, surely it is in its commercial interest to invest in safety, as safety is its business.

Mr. John Smith: Is there not a more fundamental point? The product of NATS is safety; the very service that NATS provides is safety. There is no safety dimension: NATS could not survive unless it delivered safety.

Mr. Davies: My hon. Friend is right, and that is why there is an incentive to innovate in safety. NATS must sell safety and be the safest system in the world, with new technology to provide better safety and fewer congestion delays. That is its motivation.

One of the amendments refers to a not-for-profit model, and the airlines are keen on that model. If they buy NATS—I am not averse to that—the airlines can make their money by investing in NATS and by reducing delays at airports by 10 per cent, after which they could make an enormous profit by selling tickets to people flying on their planes.

The amount that the airlines would have to invest in the system is not all that great, and they have £24 billion worth of aircraft sitting on the tarmac in Britain. The idea that they would not invest in safety, in information technology and in efficiency does not stand up. Given the fact that they are vertically linked in the air business, it is not easy to put a limit on how much they would bid.

We must also consider the management of technology. I have served on the Public Accounts Committee for the past three years, and week in, week out, we see examples of public sector management of very large IT infrastructure programmes going massively wrong. There are cultural issues and issues about whether we are paying civil servants enough to secure the skills to compete and negotiate on an equal level, but that is another debate. The private sector is in a position to manage the skills and the IT risks.

There are complex issues of cash, IT, management and, ultimately, safety. My view is that the interests of securing our future as the international hub of air transport with the best record of safety and efficiency will be served by the model that the Government have proposed.

Mr. Frank Field (Birkenhead): On a point of order, Mr. Deputy Speaker. In your judgment, if we are to have three votes on this group, will we not need to conclude the debate by about 7 o'clock?

Mr. Deputy Speaker: That is an observation that may be widely agreed with in the House. We shall observe what we shall observe in due course.

Mrs. Fyfe: I congratulate my hon. Friend the Member for Ayr (Ms Osborne) on her campaign over the years to secure hundreds of jobs in her part of the world. If she has succeeded in that endeavour, that is no mean achievement.

I wish that my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Galbraith) was still in the Chamber. He accused those who disagree with him of being illogical. When I see him, I will have to ask him what adjective he would apply to someone who has considered an issue for considerably less time than those who work in the industry and provide the service, yet thinks that he knows better than they do what is good for the service.

This is not a partnership, as others have said. It is a privatisation. The Government's holding can be reduced to 25 per cent. without the House being consulted again. Some day we will not even have that 25 per cent. The then Government will say, "What are you complaining about? You went three quarters of the way down this road." Joseph Chamberlain said 100 years ago that he did not want water to be held in the private sector because

> some things . . . are too important to leave to bodies whose first motive is profit and whose first fiduciary duty is to their shareholders.

I would not disagree with him.

I am not saying, "All private bad, all public good," but there is a difference, and one day it could be a crucial one. I sought some figures from the Library to compare the safety records of the public and private sectors. I was told that 85 per cent. of private sector employees were employed in establishments with occupational health measures, compared with 100 per cent. of public sector employees. The proportion of employees covered directly by such measures were 66 per cent. and 99 per cent. respectively. That is a useful measure of how the private sector can often be good on safety but can also fall down on it. The public sector is certainly under more pressure to deliver totally on safety.

If the pilots are not convinced, I am not convinced. I do not believe that the two alternative proposals can be brushed off with a one-line statement that neither fits the needs of the service. I would hope to hear more from the Government.

Before the 1997 general election, our party said:

> Our air is not for sale.

I featured that in my election campaign, and I will not go back on my word to those who voted for me unless I see good reason for doing so—and I do not see sufficient reason here.

Mr. Lembit Öpik (Montgomeryshire): Does the hon. Lady agree that glider pilots, the British Gliding Association and the General Aviation Manufacturers and Traders Association are concerned that if the airways are sold off, they will be sold out, and probably pushed out of the sky?

Mrs. Fyfe: The hon. Gentleman makes an important point.

No other country in the world has privatised its air traffic control. Are other countries not faced with hard choices, too? We keep on hearing from the Government, when they want to do something that is unpopular and unwanted by their own supporters, that we are making a hard choice. On some things, we should make a choice that people like, then fewer people might stay at home at elections.

Why are the Government flying in the face of public unhappiness at this step? Why are we ignoring those who work at NATS and those who fly the planes? They have not merely gone through the motions of opposing the Bill: they have campaigned ceaselessly. They are serious about this. There was a time when a Labour Government would have listened more carefully to those who actually do the work.

I have been reading the Government's briefings and I gather that a not-for-profit trust would be allowed to compete for the contract. If such a trust would be acceptable, why cannot the Government accept a new clause that allows us to go straight for that option and keep the private motive out?

Mr. John Redwood (Wokingham): I support my hon. Friend the Member for North Essex (Mr. Jenkin), who has done a superb job in piloting the Opposition case, and I look forward to what he has to say later. I support new clause 26, to which he may speak if he catches your eye later, Mr. Deputy Speaker.

In past debates on these matters, I have always declared the fact that my wife works for British Airways, but I can assure the House that she no longer does so. She has resigned from British Airways, so she is no longer privy to the ways of the board or beholden to the company.

One of the big issues that has come out in this fascinating parliamentary debate is what the Government are trying to achieve. Is it a privatisation or is it not? As I urged several privatisations for love on previous Conservative Administrations, and for profit on Governments elsewhere in the world, when I was in business, perhaps my remarks may have some interest and merit.

It is clear to me that privatisation occurs if control passes from the Government to a private sector interest. By that test, this is self-evidently a privatisation. The Government may try to dress it up in the new language of public-private partnership, but on this occasion that is either misleading or a load of ideological claptrap. This is a privatisation and it must be judged as such. We must apply the normal tests: whether it will be sold to the right people or group of interests; whether it will be sold at the right price; whether it will be run better than if it had remained in the public sector; and whether there might be a better way of serving the public interest and securing gain for the public purse.

In all my experience of privatisations around the world, this is by far and away the worst model that I have ever seen. It manages to combine all the worst features of privatisation and avoid practically all the good ones. That is why my hon. Friend the Member for North Essex is right to say that the official Opposition cannot support this version of privatisation and was right, in his ever-helpful spirit, to suggest a better alternative.

The models on offer from Opposition Members—the independent trust and the public corporation—which we have heard debated at some length, represent a much better interim position, at least, than the Government's version of privatisation. It would be far better to leave it alone or to keep it under the new control and ownership

[Mr. John Redwood]

that has been suggested by Labour Members until it could be privatised properly than to do what the Government propose.

6.30 pm

The proposals are a kind of punk Thatcherism. The Government have a strange love-hate relationship with the Thatcherite message. As one who was proud to be involved during the 1980s and thought that a lot of good things happened then, I now recognise that it was a long time ago. The Government should recognise that the problems and solutions of this century are rather different. If they wish to be Thatcherite, however, they should try to understand the essence of the Thatcherite experience instead of producing a punk version that true Thatcherites cannot possibly support.

A proper privatisation would surely seek to maximise wider share ownership, make sure that the British national interest was secure and protect the organisation from the possibility of being sold on the cheap to a single foreign interest. I have never come across a Government who wished to sell control for only 46 per cent. of the shares. One would at the very least expect them to sell 51 per cent. of the shares to the controlling interest.

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): The Conservatives gave it away.

Mr. Redwood: The Secretary of State dares to say that, but the Conservative Administration gave away shares to company employees, which was a good thing to do. They did not give them away to people from outside who had the money to buy. They were careful to protect important public interests from foreign acquisition by using golden shares that worked.

I am concerned that the present Government are inventing a golden share that may well not work and may not protect the national interest. There is a strong possibility that the Government will end up selling 46 per cent. and a controlling interest for less than 46 per cent. of the true value. The numbers that they have trotted out so far and have got into a tangle over show that they envisage a sale at fire sale prices when there is absolutely no reason to sell an important national asset at a knock-down price.

I do not wish to intrude on the debate about how Labour Members feel about supporting or not supporting the Government who stated clearly before the election that the air was not for sale. My right hon. and hon. Friends and I made no such statement, so we do not have that problem when deciding how to vote tonight. It is an important issue. I can speak from experience of supporting a Government who occasionally broke their word. I know how difficult it was and what an uncomfortable feeling it was. I always felt better when I stuck to what the Government had originally said and did not let down my voters by going along with the change of tack or script.

I hope that the Government are aware that there is unity across the Floor of the House tonight on whether or not this botched and muddled privatisation should go ahead. The House should categorically say no; it is the wrong privatisation at the wrong time. It is stripping a national asset on the cheap. It is punk Thatcherism of the worst and that is why there will be surprising unity in the Lobbies tonight on this issue.

Jane Griffiths (Reading, East): It has been fascinating to listen to my constituency neighbour, the right hon. Member for Wokingham (Mr. Redwood), talking about punk Thatcherism, which may be an insult to punks and Thatcherites alike. Perhaps I am naive in these matters, but I cannot understand how an organisation that operates in the private sector, as NATS does, can be privatised and how we can describe the Government's proposals as privatisation. However, as the word has been bandied about, I shall let it go.

In an intervention, my hon. Friend the Member for South Derbyshire (Mr. Todd) referred to the number of airports in the private sector that are not part of NATS and asked whether he should be concerned. Other hon. Members said that as only small numbers of air movements were not controlled by NATS, it did not really matter. However, if one air movement at any airport was not conducted safely or was not subject to proper controls and that aircraft fell out of the sky, we should all be concerned.

Mrs. Dunwoody: As soon as any aircraft moves out of any airfield it is immediately taken over by an air traffic controller from the National Air Traffic Services who controls its flight wherever it goes.

Jane Griffiths: I understand that and I thank my hon. Friend. However, my point relates to the numbers. I have figures for 1998, the most recent year for which there are complete statistics, which show that some 22 million passengers were carried for at least half of their journey outside the control of NATS. That is a lot of people by anyone's understanding. Almost half the air traffic movements in that year were, at least partially, not under the control of NATS. There are airports all over the country where NATS does not operate. They are in or near the constituencies of many hon. Members on both sides of the House. However, I have never heard of an hon. Member going to one of those airports and saying to the people there, "It is a pity, but you are not quite as good as the boys and girls at Heathrow and Gatwick. You are a bit second-class and it is not good enough."

Thinking about those matters leads me to seek reassurance from my right hon. Friend the Secretary of State. If all those people are working as air traffic controllers—and there may or may not be problems—will the new safety system that the Government propose for NATS affect the regulation of those operating outside NATS? Will it create more of a division? It does not seem to me that it will, but I should like some reassurance.

We have heard some dud logic today. Is safety an issue? Of course it is because safety is the product of air traffic control. Air traffic control exists to make the skies safe, but one cannot be a little bit safe. Either something is safe or it is not. It is like saying that one cannot be a little bit pregnant. Safety, however, can never be totally guaranteed no matter what system we have. There were horrendous rail crashes under British Rail and subsequently after privatisation.

Unsafe practice is bad practice, whether it happens in the private sector or the public sector. I am not ideological about it, and I do not believe that any right hon. or

hon. Member should be. We should all be concerned about moving into the 21st and 22nd centuries with good, safe, dynamic and vibrant air traffic control. So much in the Bill has not been discussed because we have been talking about air traffic control, which matters a lot. We should vote on the amendments as people's views are important, but it is a pity that the issue has overshadowed so many other good things that we are doing in transport. I shall not be supporting the amendments.

Mr. Dalyell: In his serious and thoughtful speech, my hon. Friend the Member for Croydon, Central (Mr. Davies), who takes a different view, referred to some pilots sharing the general views of the Government. Like you, Mr. Deputy Speaker, I travel every week between London and Scotland and on 17 occasions now—as will be borne out by the hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore) and others—I have sent my executive card or my diamond card to the captain to ask whether he is prepared to have a word about air traffic control. On every occasion the captain has said yes, other than when he is engaged in training. I have asked the following question: "Do you, captain, back up the views of the British Air Line Pilots Association?" and on every occasion the answer has been emphatically, "Yes. We think that Chris Darke and his colleagues are right and we are very deeply concerned." Senior captains of British Airways have used the word "dangerous". It is not my word—it is theirs.

Mr. Geraint Davies: May I make it clear that I said not that the british air line pilots association, Chris Darke and all pilots agreed with the Government's prescription, but that they agreed that a form of public-private partnership was the way forward? The debate is not about public-private partnership but the nature of corporate governance. The issue is whether the two converge. My hon. Friend will find that I am not disagreeing with what he says.

Mr. Dalyell: I am grateful for that correction.

Time presses, and I wish to ask my right hon. Friend the Secretary of State this question: why has he failed to persuade the pilots if his scheme is so watertight? They are serious people. Why is BALPA so opposed to it? We need an answer to that question.

Let me share one other thought. What will people in this country think of the House if we are seen to impose on controllers and pilots, against their best judgment, a scheme that they do not want? Heaven help us if there is a crash, let alone a mid-air crash. What would people think of the House of Commons doing that?

Mr. Pike: I am glad to have the opportunity of saying a few words in the debate. I speak as one who has not yet been convinced about which way to vote. We have not yet heard the Government's case. Although I have considerable sympathy with the new clauses, I have not been completely convinced that I should vote against the Government tonight. I have not yet voted against the Government, but they have still to convince me to go through the No Lobby.

My hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) spoke earlier in the debate. The reports of the Transport Sub-Committee of the Select Committee on the Environment, Transport and Regional Affairs, of which my hon. Friend is the Chairman, have probably influenced my views on the issues more than the debate so far.

Obviously, safety must be paramount. I would not for a moment accuse my right hon. Friend the Secretary of State for the Environment, Transport and the Regions of not believing safety to be of the utmost importance. My hon. Friend the Member for Brighton, Kemptown (Dr. Turner) spoke about having a choice of planes. If airlines are not safe, there is something sadly wrong with a system that allows planes into the air. I do not particularly want to be on the ground, whether I have a choice or not, if the plane above me is about to crash. That worries me.

On the forms of ownership, golden shares have become meaningless. Most of them were time-limited, and some have already lapsed, so that does not convince me. Share ownership for staff after privatisation has not been all that important. The worker-management buy-outs that took place in some sectors, which some of us strongly supported, ultimately sold out to Stagecoach, so that form of succession did not last very long.

When we compare what is offered by the Bill and what is offered by new clauses 35 and 36, there does not seem to be much difference when it comes to the public sector borrowing requirement. I understand the Government's attitude, as it would ensure that the necessary investment can be made. However, it is time that the Government found a way of financing capital requirements for Government and public spending as opposed to revenue expenditure, without merging the two. It is nonsense that the Government should not be able to borrow on the normal market for long-term finance without such borrowing being included in the PSBR. It is nonsense to make a judgment in the year in which the expenditure is incurred.

6.45 pm

The real difference is the cash that we will get for the shares—whether it will be 50 or 75 per cent. The Government do not need that money at this stage. The first tranche of money from the recent sale of the mobile phone network bands, which will be available over the next 20 years, is more than double what we will get for the sale of these shares. My right hon. Friend will argue that we need to spend money on hospitals and schools. However, I do not believe that the money from the sale of these shares is required.

I remain unconvinced of the Government's case. I ask my right hon. Friend, even at this late stage, to think again about these provisions and say that he is prepared to consider them before the Bill is dealt with in the other place. We still have time to find a compromise. New clauses 35 and 36 propose what I believe to be solutions that the Government should not totally reject.

Dr. Norman A. Godman (Greenock and Inverclyde): I promise that I will be brief—I simply wish to make a couple of points.

I have signed the three new clauses. I hope that my right hon. Friend the Secretary of State for the Environment, Transport and the Regions will give sympathetic consideration to the case put so eloquently by my hon. Friend the Member for Ayr (Ms Osborne). As my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Galbraith) rightly said, my hon. Friend the Member for Ayr has fought this campaign in a remarkably sustained and tireless way, quite unlike her predecessor, and she and her case deserve to be listened to.

[Dr. Norman A. Godman]

In a debate such as this, which is largely, if not completely, confined to Labour contributions, I am reminded of the words of a retired deputy in Dail Eireann. He said that, as a Government Back Bencher, he always felt that, if he praised the Government, he would be accused of sycophancy by some, but if he had the temerity to criticise the Government, he would be accused of treachery by others.

I hope that my right hon. and hon. Friends who have signed the new clauses will not accuse me of sycophancy when I say that my old friend the Deputy Prime Minister is utterly committed to the very highest safety standards. I first met him in the mid-1960s when he and I, along with my hon. Friend the Member for Hull, North (Mr. McNamara), fought campaigns to enhance the safety of merchant seamen and fishermen. So I have every confidence in my right hon. Friend—so does my family, which is made up of fishermen and their wives, daughters and sons—where maritime safety is concerned. For me—and, I am sure, for my family—that extends to his commitment to rail and air safety.

I will now be accused by some of treachery for saying that I have some criticisms of the Bill. I genuinely believe that the trust option offered in this civil-minded debate is the best way forward for the Government. I asked my right hon. Friend a question at a meeting, and then disappeared before he had the opportunity to answer it. I offer my apologies to him publicly for that, but I had visitors from Australia to see to. The question was: why are we out of kilter with so many other states? Some of those states have right-wing Governments, but all of them seem to believe that such services should remain public.

I have to be honest and point out that I am old, and thus old-fashioned enough to believe that some institutions, organisations, services and facilities should remain in the public domain. I believe that of the Prison Service and of NATS. I am happy to come out of the closet and say that, ideologically, it is better that some services and some resources are managed in the public interest by public servants—servants of the state. I shall not apologise for being old-fashioned in my views.

Furthermore, I have long opposed private finance initiatives and public-private partnerships for the building of schools and hospitals—I am sorry that my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Galbraith) is no longer in the Chamber. I have had to accept a PFI for the building of a service for geriatric patients in my constituency, but I have publicly voiced my opposition to private involvement in such an essential service.

I hope that my friendship with my right hon. Friend the Deputy Prime Minister will not be diminished, but philosophically and ideologically, I think that the Government are wrong. I say that with great reluctance because I have great respect for, and trust in, my right hon. Friend. All my hon. Friends who have spoken in favour of the new clauses have emphasised safety; they are right to do so. I do not take issue with those who support the Government, but safety measures should remain in the public domain. I shall always believe that. That is why I shall support the new clauses, even though they will not be accepted by the Government.

However, I do ask the Government to take heed of the powerful case eloquently presented by my hon. Friend the Member for Ayr. They must concede that case. I hope that my right hon. Friend will reconsider that and other issues.

As I am such an old-fashioned ideologue, perhaps it is just as well that I am not seeking reselection, but I hope that my right hon. Friend will listen to those who argue against him in this civil-minded debate.

Mr. Alan Keen (Feltham and Heston): As time is limited, I shall concentrate briefly on the crux of the issue. Since my election to this place in 1992, I have often been asked what it is like to be in Parliament. My standard answer is that it is better than going to work. I know that we work long hours in this place, but I worked in the private sector for the whole of my previous working life and it is pretty tough there—efficiency is achieved through drive and ruthlessness.

My hon. Friend the Member for South Derbyshire (Mr. Todd) said that he wanted robust management—so do I. I want robust management in the design and installation of the IT systems and in their testing and re-testing. However, I want that robust management to end at the interface between managers who have to answer to shareholders and the people in front of screens who talk to pilots for hour after hour. I do not want robust management there. That is the crux of the debate.

There are parallels with PFI in hospitals. I strongly support PFI in such cases—so no ideology is involved. However, as my hon. Friend the Member for Brighton, Kemptown (Dr. Turner) pointed out, we do not allow the people who build hospitals or those who have 25-year contracts to clean them to be involved on the clinical side—carrying out operations.

My objection to the Government's proposals is based on that one issue. I repeat that I want to remove robust management—chasing profits and applying cost pressures—from that interface. I do not want such management to control the individuals who have the crucial job of talking to pilots.

Some hon. Members have asked whether there is a difference between a small and a large airport in relation to safety. I have lived within five miles of Heathrow airport for 37 years. Those who do not live around the airport cannot fully understand the dangers. I lived close to the area of the Staines plane crash. Of course, that was nothing to do with air traffic control; it was a faulty plane. The trial taking place in Holland reminds us of the devastation that can happen on the ground—never mind a collision in the sky. My constituents suffer from aircraft noise day in and day out; a plane lands or takes off every 90 seconds. They deserve the best service that we can give them.

For the third time, I repeat that we do not want robust management to affect those people who sit in front of the screens doing that vital job. If we want our Olympic athletes to break world records, we take every worry away from them so that they can focus on their running or whatever event they are competing in. The people in front of those screens as just as important—indeed, they are much more important than Olympic athletes. We should treat them in the same way. They should not be subject to the pressures of the private sector.

Mr. Michael Connarty (Falkirk, East): I join my other colleagues in commending my hon. Friend the Member

for Ayr (Ms Osborne) on her speech on amendment No. 454. She has worked tirelessly to convince the Government that, whatever other structures are put in place, they must manage a two-centre strategy. Given that she is a Parliamentary Private Secretary—as I was for a year—I realise how difficult it must have been for her at times to convince the Government. Governments obviously assume that they have the votes of PPSs, who will be loyal. My hon. Friend has worked hard and I commend her on the amendment. It represents one last throw of an important dice—to include in the measure a commitment to the people of Prestwick and the workers there, so that they can be confident that, whatever the management system, there will be a second air traffic control centre.

I seek one assurance from the Deputy Prime Minister. The amendment includes the words "was commissioned". How does my right hon. Friend interpret that? Does it mean that projects that are only at the planning stage? If the planning stage has already been initiated, will the project be encompassed under the provision? That is an important point, because Prestwick is at that stage—no bricks and mortar have been laid, so the project is at an early stage.

I prefer new clause 37 because it would require a report to the House on the progress of those establishments before any commitment is given on transferring assets or shares—it would be the belt and braces for that operation. I should like either new clause 35 or new clause 36 to be passed because they offer a better structure than that proposed by the Government—whether the percentage share is 46:5:49 or 75:25.

A couple of small matters keep coming up. It has been said that, because the rates for air traffic control are set by Europe, a publicly owned corporation could never finance its investment of £1.3 billion. In that case, why are no other EU air traffic services in the private sector? They, too, have to set their rates under European controls.

The hon. Member for Croydon, Central (Mr. Davies) made an important point. If there were better IT efficiency in NATS, there would be a greater flow through airports; there would be fewer delays and income would increase. That would be true of the private sector—it would be a public or a private option.

On management, the amendments on the trust model state clearly that all those involved in management would be from the private and the public sectors. The motivation would be the same for a trust or an IPOC as it would be for anyone else.

Why is a public plc acceptable for the Post Office and not for NATS? As a member of the CWU—Communication Workers Union—parliamentary panel, I have to ask whether the measure is a Trojan horse. If air traffic control is privatised, will there be full privatisation of the Post Office? Will the Secretary of State explain the meaning of clause 49(4), if it does not mean that 75 per cent. will be owned by the private sector and 25 per cent by the public sector? Is that not privatisation?

There is a difference between regulatory control and private profit. I recently picked up an example in the *Financial Times* which said that airlines in America have asked for a decrease of 10 per cent. in the amount of fresh air that circulates in cabins. They have done than to save millions of dollars in the cost of the fuel that is used to circulate the fresh air. If they are willing to make that cut, they will be willing to make others.

7 pm

My final point is one that I have made time and again. I am against the proposal in principle. When we campaigned against water privatisation in Scotland, we were opposed not just to the method, but to the principle. I am against the proposal, and I believe that the Government will pay the consequences, because the people who voted us in are against both the principle of the privatisation and the method to be used.

Mr. Bernard Jenkin (North Essex): I am the 22nd Member to take part in the debate, which has been an exceptional parliamentary occasion of great credit to the House as a whole. We have had an extremely good debate.

Part of the concern expressed by Labour Members reflects a point made by the hon. Member for Falkirk, East (Mr. Connarty) about whether the proposal is or is not a privatisation. Part of the concern has revolved around the issue of safety, but Conservative Members do not accept that there is any inherent conflict between safety and the right kind of privatisation. As has been pointed out, our airlines and airports are already in private hands and they are part of profitable enterprises, and civil aviation just happens to be the safest form of transport. A sensible privatisation scheme would present no safety threat at all.

I wish to speak initially to our new clause 26, which sets out the policy on which the Conservative party stood at the previous general election. We have proposed a full flotation of NATS to create a great new British company with effective golden share arrangements that would protect the business from unwelcome foreign takeover and provide the widest possible share ownership among the British public.

Labour's proposed public-private partnership, however, is something of a mess. The Secretary of State has many friends, but not, I fear, on this issue. Although we reject the notion that safety is incompatible with private ownership, we have several concerns about the proposed scheme and its circumstances.

As my right hon. Friend the Member for Wokingham (Mr. Redwood) pointed out, this public-private partnership provides poor value for the taxpayer. National Air Traffic Services is probably worth between £1 billion and £1.5 billion and the PPP offers release of loans of about £300 million and net proceeds of £15 million from the sale of operational control of the business. A straight flotation would raise considerably more for the taxpayer, especially if sold in stages rather than in one go. Furthermore, sale proceeds are likely to be significantly enhanced after 2002 when the Swanwick centre becomes operational. Our amendment therefore also argues for delay.

Labour's PPP will not extend share ownership. It is a complex part trade sale, forced on NATS to try to disguise the reality that it is just privatisation by another name. A straight flotation would create thousands of new shareholders.

The strongest bidders appear to be foreign companies: Lockheed Martin, which is NATS's key supplier, is from the United States; Raytheon, which is working with the state-owned German air traffic control company, DFS, is also from the US; and Thompson CSF, with its avionics

[Mr. Bernard Jenkin]

subsidiary, Airsys, is a French virtually state-owned company. The only UK bidder appears to be the Airline Group, but there is no guarantee that its bid will be successful. The PPP will create not a new British company, but probably a foreign-owned subsidiary, and that does not appear to be in the national interest.

Sale of control to a trade bidder carries extra risks. A straight flotation provides for continuation of the same business, but under the same management. A trade investor offers the downside risk of adverse interference in the management of the company and, in particular, in procurement issues. NATS could finish up tied to a less satisfactory supplier of equipment and there are also risks of transferring control to a state-owned entity in another country.

Moreover, the shareholding structure of the PPP creates its own uncertainties about who will be in control of the business. The Government intend to hold more shares than the so-called strategic partner and the draft articles of association for the partnership company and the draft strategic partnership agreement are both complex documents. In this privatisation, confused responsibilities about who is responsible for safety could give rise to safety concerns. NATS's management are excellent and they have no need for outside expertise from a trade investor.

Recent developments in European Community law mean that a sale at this time also presents a threat to national security on two fronts, and I totally reject the idea that this point is a red herring. First, after the PPP, the UK Government will not be able to determine who owns the controlling interest in NATS. The Bill provides for a golden share, but, in July 1999, the European Commission issued an opinion on golden shares in former state-owned companies as a preliminary to infraction proceedings against BAA's golden share. The Commission says that such shares are illegal under European Community law because they infringe provisions on the free movement of capital and the freedom of establishment.

Secondly, it is likely that the provisions in the Bill, which provide for the intervention of the Secretary of State to protect national security, are also invalid under EC law. NATS deals with military flight plans and has knowledge of the whereabouts of military assets at times of international tension and during hostilities. Although that issue will be dealt with in a later debate, I point out that Royal Air Force chiefs of staff have expressed concern that sensitive intelligence information could be compromised.

In short, Labour's PPP is deeply flawed. Moreover, the assurances given by the Government are false. They continue to mention the strategic partner, but why does clause 53 refer to the possibility of flotation? In Committee, the Minister told us that recourse to immediate flotation can be made under the Bill in the event that a suitable strategic partner cannot be found.

Why do the Government continue to talk about the retention of 49 per cent. when clause 49, now that it has been amended in Committee, specifically spells out that the Government's shareholding could be reduced to 25 per cent? What will happen if there is a rights issue then? What is clause 49 worth when it has a Henry VIII provision stuck in it so, at a stroke of pen, the Government can, at a later date, tear up the golden share and the share restrictions provisions in the clause? It is incumbent on the Secretary of State to tell us exactly what the golden share is for, given that the European Commission has made it clear that it regards it to be illegal under European Community law.

The Government's PPP is a bad privatisation that we cannot support. The Select Committee described it as

the worst of all the possible options.

The Conservative party invented privatisation, but we have never been the party of privatisation for its own sake. Privatisation should be a means of improving efficiency and effectiveness, but Labour's privatisation carries risks and disadvantages compared to our scheme.

The Deputy Prime Minister has brought this so-called PPP to the House only because the Treasury is forcing him into the privatisation against his will. It is flawed by the Government's attempt to pretend that they are not privatising something when they are. Having promised before the election that

our air is not for sale

Labour is now promising a back-door privatisation. Our amendments sets out our policy for the privatisation of NATS—the solution that the aviation industry would truly prefer once national security issues have been resolved. We will vote to try to stop the Government from making a mess of one of this country's vital safety industries.

Mr. Prescott: I think that everyone will agree that this has been a good debate. It has reflected Members' real concerns about change and about the possibility of a public-private partnership, as set out in the Bill, for air navigation services. I welcome all the contributions that have been made to the debate. I have disagreed with some comments and agreed with others; that is inevitable on these occasions. The Government have some differences both with the official Opposition and with the opposition on the Government Benches, but I shall choose to direct myself to the Bill.

The hon. Member for North Essex (Mr. Jenkin), who spoke from the Opposition Front Bench, talked about a wonderful privatisation programme, of which, as he readily said, the proposal before us is not a part. The history of selling the public assets of the United Kingdom is not something to recommend when dealing with further privatisations. In whatever area, privatisation cost the country billions of pounds. The assets sold off were undervalued, as the Public Accounts Committee has made clear. I would not want to put forward any privatisation proposals of that sort.

I am pleased, however, to support proposals that will allow the development of National Air Traffic Services and introduce measures to enhance air safety, at a time when the volume of air traffic is increasing extremely quickly. It has increased by about 20 per cent. in the past five years. This is clearly a growth industry in which safety is a major consideration, and I think that we all agree that there is a good safety record.

I shall take up some of my hon. Friends' comments about the commitment and promise that "Our skies are not for sale". We did not state in the Labour party's manifesto that there was a commitment to do this or not to do it, but it was said at the general election that after

the decision to take on two years of the financial programme of the previous Administration, the question had to be asked, "What about the privatisation to which the previous Government were committed?"

We took the view that we would not privatise NATS but would pursue a public-private partnership. That was at the heart of the election, and the point was made by my right hon. Friend the Chancellor of the Exchequer. This is not something that we have sneaked into the House. There was debate, which is a matter of record. It is possible to read exactly what was said at the time.

The proposals that we are discussing are an important part of the Bill, which I am proud to endorse. The Bill will bring improvements to the railways, bus services, and local transport provision. Two key themes are improvements in public transport, which is once again a growth industry after decades of neglect, and an emphasis on the public and private sectors working together for the best overall solution.

Much of the debate, quite properly, has been about safety. I have spent much of my 30 years in the House—I am grateful for the comments that have been made in that regard—dealing with safety issues in all industries. That is a matter of record. Some of my efforts have been successful; others have been less successful. However, it would be most unusual for me to make a proposal that threatened the safety of air navigation. If that is not enough to convince the House, I shall explain why the proposal will make air navigation far safer. Nothing is more important to the Government, or to me personally, than safety in transport.

Everyone who has contributed to the debate, as well as the Select Committee on the Environment, Transport and Regional Affairs, has made it clear that the status quo is not acceptable—that is, that the roles of the operator, which is now responsible both for regulation and for operation, should be separated. The Select Committee said that the status of the CAA with NATS as a subsidiary was not acceptable.

The Committee has been making that recommendation since the late 1980s. I agree with it, but I go further. The Government do not accept that the status quo is good enough for safety. There is a conflict of interest, and a change must be made, which is embodied in the Bill. We also consider that the status quo is not sufficient to meet the long-term investment needs of NATS, which will be the key to maintaining safety, better project management and the ability to grow.

7.15 pm

When we consider the safety record we see that there has been an increase in airprox near misses over the past 10 years. Near misses over those 10 years have increased by almost a third. That is alarming. However, there has been a tremendous growth in air traffic. A fair analysis of safety would mean setting the number of incidents against the growth of aeroplane passenger traffic.

Against that background, it is essential that the new technology and the two-centre approach, which the previous Administration announced, is introduced if we are to improve safety. Swanwick has been delayed for five years, it is £400 million or £500 million over budget and it has still not been implemented. Perhaps someone should have been concerned to ensure that the project was properly financed and properly implemented. It might have played a part in reducing the number of airprox incidents that we are now seeing. The amount of money that is invested in safety is just as important as skills and equipment.

The issue is whether NATS can secure sufficient long-term investment and handle it efficiently. I have examined the record, and it is my judgment that it has not done so. We must change that. In that context, the status quo is not satisfactory.

Dr. Jenny Tonge (Richmond Park): The Deputy Prime Minister has mentioned three times already that there has been a huge growth in air transport in this country. Does he agree that if terminal 5 is allowed to go ahead, there will be a huge growth in movements in and out of Heathrow?

Mr. Prescott: I have to deal with appeals on such planning issues, so I cannot make any comments now. The hon. Lady will have to wait until the report comes out.

There has been considerable debate about traffic using privately run or publicly NATS-controlled airports. The argument has not greatly benefited the House, but at the same time it has been a good debate. NATS controls much more air traffic than anyone else, whether in terms of movements or of numbers of passengers, but the fact that it is larger does not necessarily mean that it is safer.

Private sector companies, or non-NATS organisations, in Humberside, for example—the airport in my area—enable Concordes to land. Airbuses and jumbo jets land at Luton. Whether controllers are dealing with 10 or 400 people or with a jumbo or a small jet, I am sure that there is equal concern for safety. I think that that has emerged during the debate. The argument that private air traffic controllers are less safe than public controllers in NATS has been rejected.

It has not emerged from the debate that NATS bids for private contracts. Presumably it does so with a profit motive. The assumption that profit undermines safety is not proven. Our experience in visiting airports is that it does not. All the discussion in the world, and all the cockpits that my hon. Friend the Member for Linlithgow (Mr. Dalyell) has visited, do not change that essential point. As for chats with pilots—I do not disagree with the idea that pilots are important people to take into account—I can recall pilots saying, "Don't privatise BAA; it will be less safe."

Mr. Redwood: Will the Deputy Prime Minister give way?

Mr. Prescott: Not now. I apologise. I am dealing with the real opposition.

When I was talking to a pilot about these matters, he admitted that safety had improved since the privatisation of BAA. I do not want to advance the argument that private is good and public is bad, or vice versa. I want to come to a judgment on whether we are introducing measures to make the industry safer.

The new clauses and amendments focus on whether a different company structure can achieve that objective. We have made it clear that we seek to introduce the public-private approach. New clauses 35 to 37 and new

[Mr. Prescott]

clause 26 provide different options. Full privatisation is represented by new clause 26. My right hon. Friend the Member for Edinburgh, East and Musselburgh (Dr. Strang) seeks to retain a Companies Act company. The NAV Canada solution means that shares in the company cannot be sold, but there is a sale to a non-profit company. No shares are involved. So we are being offered a state corporation, a sort of trust corporation and the full privatisation that I have mentioned.

I am confused when it comes to how Members will vote for all these propositions, unless it all amounts to a belt-and-braces job and, if they lose on the first one, they will move on to the next. I hope that they will not touch the third one.

The Government believe in a public-private partnership. That is not a privatised approach but it is a different form of the public-private approach. It involves shares in the private sector, and is a different form of the public-private partnership from the one that I have developed for the London underground. There are horses for courses. It is a different partnership from the one I have developed for the channel tunnel rail link, which I had to rescue from the terrible mess created by the previous Administration. All those measures involved £20 billion.

Those who said that the money would come from telecoms include, I think, my hon. Friend the Member for Burnley (Mr. Pike). However, that money has been spent at least five or six times already. Nobody needs to be convinced that Labour knows how to spend money; the difficulty is in pointing out where we raise the money that we spend. There is a history to that argument.

The £20 billion has been raised from an industry that has an income flow, which means that there is less pressure on the public sector to raise revenue or capital for hospitals and schools. The £500 million that would be raised from the sale of NATS is equivalent to putting a pound on pensions. Judgments must be made about public expenditure priorities and the Government will take such considerations into account in their public expenditure programmes.

Mr. Redwood: It is generous of the Deputy Prime Minister to let me intrude on private grief. He would agree that the Treasury would be over-generous if it offered £5 notes for £1—it might mean that there was an election coming up—but when the Government offer to pass on control of £1.5 billion of assets for £300 million, are they not offering £5 notes for £1? Those are the figures that the Government have supplied. Is not the sale of those assets, over the heads of British management and employees and probably to a foreign stakeholder or shareholder, a big slap in the face for those British managers and workers?

Mr. Prescott: If the hon. Gentleman has read our response to the Select Committee report or our letters to the Committee, he will know that that is complete nonsense. The argument about those figures concerns a judgment about debt and equity, which we have dealt with before. I shall take no lectures from the hon. Gentleman, who was a member of the Government who, as the Public Accounts Committee has pointed out, undersold most of our assets by billions of pounds. He now has the audacity to lecture us about selling off assets. Whatever the intention of the previous Administration, those sales were hardly good for the taxpayer.

Mr. Jenkin: Will the right hon. Gentleman give way?

Mr. Prescott: No, I must make progress.

Mr. Jenkin *rose—*

Mr. Prescott: Sit down.

A public-private partnership, or any of the alternatives, must satisfy the Government's criteria. First, we want to separate NATS operation from CAA regulation—there seems to be agreement on that in the House—not only to maintain safety but to enhance it. I shall return to that point. We also want to maintain the national security objective, to secure the long-term investment that I have referred to, to introduce stability to the investment programme and to get better project management skills.

I have heard the talk about Rover's management skills. Considering the problems that I inherited as Secretary of State, it is no wonder that in some of our public sector industries, projects are not completed on time and are over budget by billions of pounds. It was estimated that the two centres for NATS would cost about £600 million, but they will now cost us over £1 billion and the project is five years late. I could give several examples that demonstrate that although the public sector culture is plainly good for safety, the public sector is not too good at handling projects. The taxpayer has to make up any difference—to the tune of £1.5 billion in the case of the Jubilee line extension.

A public-private partnership for London docklands light rail is on time, is as efficient as it is effective and imposes no extra cost on the taxpayer. We must take such examples into account when considering the quality of management. I have been a defender of the public sector all my life, but it costs a great deal more than the private sector, and we must ask why. Various explanations have been given, but I am faced with the practicalities.

When considering a public-private partnership, we decided on a trade sale, to which the hon. Member for North Essex referred, to a strategic partner. The hon. Gentleman did not seem to think that that was a good idea. So why did the Conservative Government sell Rover to BMW for £1? When English, Welsh and Scottish railways came along, there were three companies to be sold. The American buyer said that it would only buy the lot. Not only did the Conservative Government give it the lot, but they gave it £250 million to take it away. *[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. There are many private conversations taking place in the Chamber. The right hon. Gentleman is addressing the House, so hon. Members should listen to what he has to say.

Mr. Prescott: I certainly believe and intend to show that a public-private partnership with a strategic partner will provide a strong framework of public accountability.

Mr. Jenkin: May I point out that if the right hon. Gentleman chose to pursue the NAV Canada proposal,

the Government would still receive a capital receipt for the sale of the business. NAV Canada raised a large sum in bonds to pay for the business, so the public sector still received a capital receipt.

Mr. Prescott: I hear that defence, but my point was that although a strategic partner was involved, the business was sold to one operator. There are several examples of that, so I find it difficult to understand why the hon. Gentleman cannot accept the idea of a strategic partner. Indeed, his proposal would not allow for that: the hon. Gentleman wants to float shares in a full privatisation. That is a straightforward position, and it is argued that that is best for the taxpayer, but I am bound to say that the record of privatisations does not bear that out.

New clause 35, which was moved by my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody), makes it clear that we should take the option of state ownership. It would permit the separation of the provision of a service from its regulation, but would do little else. It would retain the service in the state sector and would therefore lead to problems in acquiring public investment. The service would have to apply for the Treasury for resources. There would also be all the difficulties of being unable to get a programme established for more than two or three years. The service would have to compete with others requiring public expenditure.

Those problems have undermined the public sector in this country. Inadequate finance for the quality of service required is a reason why the quality of public services has got worse. We are desperately seeking to change that. The public sector suffers from stop-go investment, as I suggested, and that has dogged most of the transport industry for a long time.

Swanwick is a classic example of a project that is over budget, over time and, frankly, will not even produce the facility that we want. Indeed, it is dogged by concerns of one form or another. My hon. Friend the Member for Ayr (Ms Osborne) told us about the two-centre operation, pointing out that a privatised service might not retain two centres.

I listened carefully to what my hon. Friend had to say, and she made a powerful case tonight for what she has been advocating for a long time. There is no disagreement between us on the matter. In fact, the Prime Minister made it clear at the Dispatch Box that he accepted the spirit of her amendment and that her proposals would be written into the strategic agreement. The strategic partner would be required by the Government to build the second centre. The proposal would involve a golden share, directors and articles of association, as we pointed out to the Select Committee. I understand the fears expressed by my hon. Friend, and the concern about the matter in Scotland. On behalf of the Government, I accept her amendment.

Ms Osborne: I just want to be absolutely sure about this. Is my right hon. Friend saying that he unequivocally accepts my amendment and that it will be added to the Bill?

Mr. Prescott: Yes, my hon. Friend has re-emphasised my point. Her amendment will become a Government amendment, so I hope that that does not cause her embarrassment.

My right hon. Friend the Member for Edinburgh, East and Musselburgh spoke to new clause 36. The new clause and the amendments associated with it seek to achieve a different end from the Government's. They would involve the separation to which I referred, and would establish a strategic partner, but restrict it to being a not-for-profit company. That is a bit like Virgin saying that it would run the lottery on a not-for-profit basis—I shall leave aside the fact that my right hon. Friend would want a bit of profit for investment and equity.

My right hon. Friend cited NAV Canada as a working example of that model. That suffers most of the drawbacks of a state-owned option. A letter sent to us makes it clear that the assets were sold by the state, and there is no accountability. Although the agreements and safety regulations do not say so, NAV Canada is privatised. All the assets that were owned by the state, and which in all other countries are still owned by the state, have been sold to a trust company. People have been appointed from the unions and other companies to sit on its board, but the trust company runs the service. There is no accountability to the Government, or Government ownership. Agreements have to be struck about defence—an issue that I should have thought would be of some concern to the House. Such an arrangement does not provide the proper degree of accountability; I believe that there must be accountability, which is why we are writing it into the process.

7.30 pm

Dr. Strang: At a meeting a week or so ago, we heard an address by the trade union director of NAV Canada, who explicitly stated that NAV Canada was answerable to the relevant Minister.

Mr. Prescott: That Minister can issue directions along the lines of, "On safety, you must do this." However, NAV Canada does not raise money from the Government; it raises it from the private sector and is free to do so. In addition, it can do whatever it likes in respect of prices and profits—the Government have no control over those aspects. My point is that the arrangement brings all the problems that are associated with many trusts.

I remember that when I first entered Parliament in the 1970s, there were problems with the Merseyside docks, then controlled by a trust. People got hold of it, forced down the prices and the brave Selsdon men would not allow it to be rescued. Eventually, they were forced to mount a rescue. That trust arrangement had failed to provide adequate investment or proper accountability to Government. That would not be a satisfactory way to deal with air traffic control, with all its defence implications and investment requirements; nor would such an arrangement allow the business to invest abroad.

I always take the cost-plus approach to public investment. An arrangement such as the one proposed could not be controlled; it could set its own prices and exploit its monopoly position—unaccountable to anyone, it would simply pass on all the costs. That is not the sort of culture that will produce the efficiency and investment that the modern aviation industry needs.

Dr. Lynne Jones (Birmingham, Selly Oak): Do my right hon. Friend's comments about the lack of accountability of trust bodies apply to registered social landlords, to whom the Government propose to transfer council housing?

Mr. Prescott: There are all sorts of trusts, including hospital trusts. There are always problems to be

[Mr. Prescott]

addressed. My point is that, while a trust body could raise the capital to make the necessary investment, it could not provide the sort of flexibility, management and efficiency that we want. Furthermore, I believe that the Government should have some control and that the industry should be accountable. We can argue about percentages—49 per cent., or whatever it might be—

Mr. Deputy Speaker: Order. It is a small matter in the circumstances, but would the right hon. Gentleman please face the Chair?

Mr. Prescott: I apologise, Mr. Deputy Speaker.

We do not accept that a public-private partnership would jeopardise safety. The airline operators told the Select Committee that the Government's proposals would enhance aviation safety and they stated why that was. People say that the airline operators would say that, but I cannot accept that the 13 major UK airline operators are indifferent to whether or not an aeroplane crashes, or to their safety record. To say that they are is silly and dangerous and undermines the very concept of safety.

Safety regulation will remain firmly in the public sector in a reformed Civil Aviation Authority. We shall ensure that we remain the safest providers of air traffic control services in the world. There was some doubt about whether such an approach would be effective, but the CAA is a public body and I thought that everyone accepted that safety should rest with a public body, not with the body that is responsible for operations. Therefore, the CAA has to do the job.

Safety is of paramount importance, which is why we have made it clear that the CAA is to set minimum standards. As my hon. Friend the Member for Reading, West (Mr. Salter) said, there are higher standards than those enforced by the CAA. However, we have made it clear that all the standards that currently apply will continue to do so. Furthermore, we have transferred safety from the operating body to the public body—the Select Committee asked for that major change and we have made it. We have done more, by making it absolutely clear to the companies involved they cannot provide air traffic control services unless the CAA safety regulation group is satisfied that they can do so safely.

The CAA will continue to conduct regular inspections and audits. The competence and medical fitness of all operators will be tested annually. Procedures and equipment used by controllers must be approved by the CAA, and it will control maximum working hours. A company will not be able to make controllers work longer, because their hours will continue to be controlled by regulation—nothing will change. Given the growth in the industry, it is likely that more air traffic controllers will be required in future. The point is that controllers cannot be made to work more hours. The type of equipment used will be set down in the licence and controlled by the CAA. Therefore, nothing changes in respect of controllers and their equipment.

We met trade union representatives and discussed all those matters. Let me make it clear: the unions did not endorse our proposal and I did not ask them to. However, we have adopted important safety measures, continued existing measures and then gone further, in response to union concerns. Safety will be mentioned in the strategic partnership agreement; a NATS board director appointed by the Government will have specific responsibility for safety; and a safety monitoring committee will be established, chaired by a Government-appointed director. The safety management system that includes elements that exceed statutory minimum requirements will remain in place. The CAA's audit arrangements will be extended to ensure that there is an annual audit of safety management. Finally, training and development standards will be improved. Those are the safety concerns of people in the industry and we have met those concerns. I have not asked the unions to endorse the Government's proposal for a public-private partnership. However, the unions have endorsed those safety improvements.

We have a gold-plated arrangement. First, we have separated the public safety regulator from the service operator, as everyone wants us to do. Secondly, we have strengthened the strategic partnership agreement and the articles of association. Thirdly, the Government will appoint to the board directors who have specific responsibility for safety. By any stretch of the imagination, those measures represent an improvement on current safety standards. I do not accept that safety will be weakened, even though we can argue about how far we should go to improve it. The Bill will ensure far better safety standards than I inherited and than were prevalent when I started with the public-private partnership.

Mr. Dalyell: Given my right hon. Friend's comments of the past five minutes, how come he has failed to persuade IPMS and BALPA?

Mr. Prescott: They were the ones that argued that BAA should not be privatised, saying that it would be less safe, but they changed their minds. I had to argue the Government's case for this PPP, but I listened carefully to workers and operators in the industry.

My hon. Friend the Member for Greenock and Inverclyde (Dr. Godman) mentioned the fishing industry. When we tried to improve safety in that industry, those who opposed our measures most fiercely were the fishermen. They gave us all sorts of reasons why they did not believe in it—for example, that it would cost a lot more. However, on safety we have to do what is right. That is the obligation that I have accepted and I can live with its being unpopular, just as I can live with leaving a safer system than I inherited.

I have heard a lot of tosh about the public and private sectors. Do hon. Members feel less safe when they get on board a private-sector aeroplane than they did when British Airways was a public company? When that airline was publicly owned, did they choose it because they believed it was safe? Perhaps they are the sort of people who felt better on reading the old local authority notices that said, "This is a nuclear-free area." It is a load of nonsense—[HON. MEMBERS: "Come over here."] The Conservatives invite me to cross the Floor, but I am just trying to make a point within the context of the amendments.

We have been told to remember Paddington, but I remember King's Cross and Clapham—public sector disasters. Safety was not better under the public sector in that industry. [HON. MEMBERS: "Come on over."] I shall present the arguments and state our priorities as I think

best. I have heard a lot about safety, but no one has said anything about the safety improvements. A lot of tosh has been said about the public and private sectors; my response is to cite the example of the railways. I have never accepted "public good, private bad," or "private good, public bad." I believe that a balance has to be struck so that we can get the best from both, and a public-private partnership is designed to do exactly that. That is what the Bill will achieve.

The Tories' alternative is privatisation—they have made that absolutely clear. They do not want there to be any control or accountability; they simply want to sell the operation for the best possible price. They are indifferent to the safety, efficiency or effectiveness of the industry. We utterly reject such an approach. We shall retain shares through the public-private partnership because we believe that that will provide one form of accountability. That accountability is also expressed in the articles of association, the strategic partnership agreement, a strict operating licence, the continuing Government and employee shareholding, and the appointment of Government directors with a veto in respect of key issues such as safety, major investment and national security.

As I have heard a bit about national security, I might add that the annual report of the Joint Air Navigation Services Council—the body that brings together the CAA, NATS and the Ministry of Defence—which has just come out, says of the Government's proposals:

> the Council believes they will preserve the successful civil/military relationship that currently exists between NATS and the MOD and ensure that air traffic services are sustained on a joint and integrated basis . . .

I refer to my right hon. Friend the Member for Edinburgh, East and Musselburgh that report of the bodies that have responsibility for defence and national security, which is the subject of the next debate.

We have put into the Bill many checks and controls. I have made my points about safety. I believe that it is absolutely clear that we can enhance the safety of the system. I have made it clear that I accept amendment No. 454 tabled by my hon. Friend the Member for Ayr. That is right; we shall be writing the proposal into the Bill.

We said from the beginning that we would listen to what was said on the changes. Governments cannot be arrogant and ignore matters; they have to make their case in the House. We have made it clear from the beginning that the changes constitute a public-private partnership, and that the two-centre model may be written into the Bill—we have listened on that and accepted it. We have increased and enhanced safety, as requested by the trade unions, after months of negotiation.

All that makes for a good Bill. All that, in my mind, produces a public-private partnership that will meet the needs of the country and the investment requirements of civil aviation, which will be safer, more accountable and over which the Government will have considerable influence and control. Above all, that will provide safe and sustained investment. I commend the Bill to the House.

Mrs. Dunwoody: NATS has no comparison in the private sector. Air traffic controllers do not compete against one another for the control of aircraft—they co-operate. The men and women working in the sector are absolutely certain that the Government's proposal is not the way forward. We believe, as the Transport Sub-Committee pointed out, that there are various ways in which that paying service, which has always been able to return money to the public sector, could operate safely and effectively either as a public corporation or as a trust.

I hope that every Member will decide that they must live with their consciences on the quality of the votes that they cast tonight, and I hope that they will bear that in mind.

Question put, That the clause be read a Second time:—

The House divided: Ayes 99, Noes 307.

Division No. 184] **[7.42 pm**

AYES

Allan, Richard
Ashdown, Rt Hon Paddy
Baker, Norman
Ballard, Jackie
Barnes, Harry
Beggs, Roy
Bell, Martin *(Tatton)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Campbell, Rt Hon Menzies *(NE Fife)*
Canavan, Dennis
Chaytor, David
Chidgey, David
Clapham, Michael
Clwyd, Ann
Connarty, Michael
Corbyn, Jeremy
Cotter, Brian
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Dalyell, Tam
Davey, Edward *(Kingston)*
Davidson, Ian
Davis, Rt Hon David *(Haltemprice)*
Dean, Mrs Janet
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Dunwoody, Mrs Gwyneth
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Flynn, Paul
Foster, Don *(Bath)*
Fyfe, Maria
George, Andrew *(St Ives)*
Gidley, Ms Sandra
Godman, Dr Norman A
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hopkins, Kelvin
Hughes, Simon *(Southwark N)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Keen, Alan *(Feltham & Heston)*
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Kirkwood, Archy
Lepper, David
Lewis, Terry *(Worsley)*
Livingstone, Ken
Livsey, Richard
Llwyd, Elfyn
McDonnell, John
Maclennan, Rt Hon Robert
Mahon, Mrs Alice
Marek, Dr John
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Oaten, Mark
Öpik, Lembit
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Rendel, David
Ross, William *(E Lond'y)*
Russell, Bob *(Colchester)*
Salter, Martin
Sanders, Adrian
Shepherd, Richard
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Llefv *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'rns)*
Smyth, Rev Martin *(Belfast S)*
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Swinney, John
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Turner, Dr Desmond *(Kemptown)*
Tyler, Paul
Wareing, Robert N
Webb, Steve
Welsh, Andrew
Wigley, Rt Hon Dafydd
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Winnick, David

Tellers for the Ayes:
Mr. Bill Michie and
Mr. Mike Wood.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary

Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Banks, Tony
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blair, Rt Hon Tony
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Church, Ms Judith
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Cook, Rt Hon Robin *(Livingston)*
Cooper, Yvette
Corbett, Robin
Corston, Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, John
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Rt Hon Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Rt Hon Alun
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Watts, David
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Wilson, Brian
Woolas, Phil
Worthington, Tony

Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. David Jamieson and
Mr. David Clelland.

Question accordingly negatived.

New Clause 36

TRANSFER TO BE TO NOT FOR PROFIT COMPANY

'.—(1) Any property, rights or liabilities shall only be transferred under a transfer scheme to a not for profit company.

(2) The transfer of property, rights or liabilities under a transfer scheme may be by such means, including sale or lease, and on such terms as the Secretary of State, with the approval of the Treasury, may determine.

(3) A transfer scheme shall not come into force unless a draft of the scheme has been laid before and approved by resolution of each House of Parliament.

(4) A not for profit company to which any property, rights or liabilities have been transferred under a transfer scheme shall not—

(a) issue any shares or share rights; or

(b) pay any dividend or profits to its members.

(5) For purposes of this Part, "not for profit company" means a company—

(a) which has been formed and registered as a company limited by guarantee under the Companies Act 1985 or the Companies (Northern Ireland) Order 1986; and

(b) the membership of which, in the opinion of the Secretary of State includes those who are representative of providers, employees and users of aviation, air travel, air navigation and related services.'.—*[Dr. Strang.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House divided: Ayes 248, Noes 308.

Division No. 185] **[7.55 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Jackie
Barnes, Harry
Beggs, Roy
Bell, Martin *(Tatton)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, John
Cable, Dr Vincent
Campbell, Rt Hon Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chaytor, David
Chidgey, David
Chope, Christopher
Clapham, Michael
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Clwyd, Ann
Collins, Tim
Connarty, Michael
Corbyn, Jeremy
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Curry, Rt Hon David
Dalyell, Tam
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dean, Mrs Janet
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Dunwoody, Mrs Gwyneth
Emery, Rt Hon Sir Peter
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Field, Rt Hon Frank
Flight, Howard
Flynn, Paul
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Fyfe, Maria
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gidley, Ms Sandra
Gill, Christopher
Gillan, Mrs Cheryl
Godman, Dr Norman A
Golde[illegible]rs Llin
Gordon, Mrs Eileen
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heath, Rt Hon Sir Edward
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Hopkins, Kelvin
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Keen, Alan *(Feltham & Heston)*
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Lepper, David
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lewis, Terry *(Worsley)*
Lidington, David
Lilley, Rt Hon Peter
Livingstone, Ken
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
McDonnell, John
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Mahon, Mrs Alice
Major, Rt Hon John
Malins, Humfrey
Maples, John
Marek, Dr John
Marshall-Andrews, Robert
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Prentice, Gordon *(Pendle)*
Prior, David
Prosser, Gwyn
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Salter, Martin
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Alan *(Nottingham S)*
Simpson, Keith *(Mid-Norfolk)*
Skinner, Dennis
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Stevenson, George
Strang, Rt Hon Dr Gavin
Streeter, Gary

Stunell, Andrew
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Turner, Dr Desmond *(Kemptown)*
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Wareing, Robert N
Waterson, Nigel
Webb, Steve
Wells, Bowen
Welsh, Andrew
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wigley, Rt Hon Dafydd
Wilkinson, John
Willetts, David
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wilshire, David
Winnick, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Bill Michie and
Mr. Mike Wood.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Banks, Tony
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blair, Rt Hon Tony
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Church, Ms Judith
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Cook, Rt Hon Robin *(Livingston)*
Cooper, Yvette
Corbett, Robin
Corston, Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, John
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Rt Hon Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Rt Hon Alun
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Sarwar, Mohammad

Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Shipley, Ms Debra
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Watts, David
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Wilson, Brian
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. David Jamieson and
Mr. David Clelland.

Question accordingly negatived.

New Clause 37

PARLIAMENTARY APPROVAL OF TRANSFER SCHEME

'.—(1) A transfer scheme made by the CAA or the Secretary of State shall not come into force unless it has been approved by a resolution of each House of Parliament passed on a motion moved by or on behalf of the Secretary of State.

(2) No such motion shall be moved by or on behalf of the Secretary of State unless at least seven days before the date on which the motion is to be debated by either House of Parliament he has caused a report to be laid before both Houses which—

(a) sets out the progress which has been made in respect of any project for the development of facilities connected with national air traffic services which was commissioned by the transferor before the date on which this Act received Royal Assent; and

(b) confirms that the Treasury have given their consent to the proposed transfer.'.—*[Mr. Dalyell.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House proceeded to a Division.

Mr. Phil Hope (Corby): On a point of order, Mr. Deputy Speaker. There appears to be a delay in the Lobbies; could the reason for it be investigated?

Mr. Deputy Speaker: The hon. Gentleman should leave me to worry about such matters.

The House having divided: Ayes 244, Noes 310.

Division No. 186] **[8.13 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Jackie
Barnes, Harry
Beggs, Roy
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, John
Cable, Dr Vincent
Campbell, Rt Hon Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chaytor, David
Chidgey, David
Chope, Christopher
Clapham, Michael
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Clwyd, Ann
Collins, Tim
Connarty, Michael
Corbyn, Jeremy
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Curry, Rt Hon David
Dalyell, Tam
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dean, Mrs Janet
Dobbin, Jim
Donohoe, Brian H
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Dunwoody, Mrs Gwyneth
Emery, Rt Hon Sir Peter
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Field, Rt Hon Frank
Flight, Howard
Flynn, Paul
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Fyfe, Maria
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gidley, Ms Sandra
Gill, Christopher
Gillan, Mrs Cheryl
Godman, Dr Norman A
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heath, Rt Hon Sir Edward
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Hopkins, Kelvin
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Keen, Alan *(Feltham & Heston)*
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Lepper, David
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lewis, Terry *(Worsley)*
Lidington, David
Lilley, Rt Hon Peter

Livingstone, Ken
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
McDonnell, John
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Mahon, Mrs Alice
Major, Rt Hon John
Malins, Humfrey
Maples, John
Marek, Dr John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Prentice, Gordon *(Pendle)*
Prior, David
Prosser, Gwyn
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Salter, Martin
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Alan *(Nottingham S)*
Simpson, Keith *(Mid–Norfolk)*
Skinner, Dennis
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Stevenson, George
Strang, Rt Hon Dr Gavin
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Turner, Dr Desmond *(Kemptown)*
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wareing, Robert N
Waterson, Nigel
Webb, Steve
Wells, Bowen
Welsh, Andrew
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wigley, Rt Hon Dafydd
Wilkinson, John
Willetts, David
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wilshire, David
Winnick, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Bill Michie and
Mr. Mike Wood.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Banks, Tony
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blair, Rt Hon Tony
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Church, Ms Judith
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Cook, Rt Hon Robin *(Livingston)*
Cooper, Yvette
Corbett, Robin
Corston, Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, John
Dismore, Andrew
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Rt Hon Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
MacShane, Denis
Mactaggart, Fiona

McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Rt Hon Alun
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Shipley, Ms Debra
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Watts, David
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Wilson, Brian
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Tony McNulty and
Mr. Don Touhig.

Question accordingly negatived.

New Clause 5

ORDERS FOR POSSESSION OF AERODROMES, ETC.

'.—(1) This section applies in any time of actual or imminent hostilities or of severe international tension or of great national emergency.

(2) The Secretary of State may by order provide for—

(a) any aerodrome, and

(b) any aircraft, machinery, plant, material or thing found in or on any aerodrome,

to be taken into his possession and used by or for the purposes of the armed forces of the Crown.

(3) An order under this section may, for the purpose of securing compliance with the provisions of the order—

(a) provide for the detention of aircraft;

(b) make such other provision as appears to the Secretary of State to be necessary or expedient for securing such detention.

(4) A person must comply with an order under this section notwithstanding any other duty, however arising.

(5) An order under this section may, for the purpose of securing compliance with the provisions of the order, provide for—

(a) persons to be guilty of offences in such circumstances as may be specified in the order;

(b) persons to be liable on conviction of those offences to such penalties as may be so specified.

(6) The power under subsection (5) does not include power—

(a) to provide for offences to be triable only on indictment;

(b) to authorise the imposition, on summary conviction of an offence, of any term of imprisonment or of a fine exceeding the statutory maximum;

(c) to authorise the imposition, on conviction on indictment of an offence, of a term of imprisonment exceeding two years.

(7) Any person who suffers direct injury or loss arising from compliance with an order under this section is entitled to receive compensation from the Secretary of State.

(8) The compensation must be of an amount agreed by the person and the Secretary of State or (in default of agreement) of an amount decided by—

(a) an arbitrator appointed by the President of the Royal Institution of Chartered Surveyors (if the proceedings are to be held in England and Wales),

(b) an arbiter appointed by the Chairman of the Royal Institution of Chartered Surveyors in Scotland (if the proceedings are to be held in Scotland), or

(c) an arbitrator appointed by the Lord Chancellor (if the proceedings are to be held in Northern Ireland).'.—*[Mr. Raynsford.]*

Brought up, and read the First time.

The Minister for Housing and Planning (Mr. Nick Raynsford): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: Amendment (a) to the proposed clause, at end of subsection (4) insert—

'including any duty arising under or by virtue of the European Communities Act 1972 (as amended).'.

New clause 27—*Exercise of powers, duties, and functions under Part I*—

'The powers, duties and functions given or imposed on the Secretary of State or the CAA in sections 1, 2, 38, 49, 80, 81, (*Disposal of shareholding in the designated company*) and (*Orders for possession of aerodromes, etc.*) may be exercised or fulfilled notwithstanding anything contained in the European Communities Act 1972 as subsequently amended.'.

Amendment No. 382, in clause 1, page 1, line 10, at beginning insert—

'Notwithstanding anything in the European Communities Act 1972 as subsequently amended,'.

[Mr. Deputy Speaker]

Amendment No. 147, in page 1, line 14, at end insert—

'(aa) to ensure that air traffic services are not provided or managed in a manner which might prejudice the national security of the United Kingdom;'.

Amendment No. 383, in clause 2, page 2, line 5, at beginning insert—

'Notwithstanding anything in the European Communities Act 1972 as subsequently amended,'.

Amendment No. 384, in clause 38, page 24, line 14,, at beginning insert—

'Notwithstanding anything in the European Communities Act 1972 as subsequently amended.'.

Amendment No. 388, in page 24, line 29, at end insert—

'or

(c) to relinquish the licence;'.

Government amendments Nos. 125 and 126.

Amendment No. 385, in clause 49, page 32, line 1, at beginning insert—

'Notwithstanding anything in the European Communities Act 1972 as subsequently amended,'.

Amendment No. 389, in page 32, line 21, at end insert—

'(5A) The rights accorded to the Crown by the special share under this section shall not be subject to any limitation that may be imposed through the European Communities Act 1972 as amended.'.

Government amendments Nos. 127 and 128.

Amendment No. 386, in clause 80, page 50, line 30, at beginning insert—

'Notwithstanding anything in the European Communities Act 1972 as subsequently amended,'.

Amendment No. 387, in clause 81, page 50, line 33, at beginning insert—

'Notwithstanding anything in the European Communities Act 1972 as subsequently amended,'.

Government amendments Nos. 134, 129, 135 to 138 and 130 to 133.

Mr. Raynsford: The theme that unites the new clauses and amendments is the important subject of national security. The Government have proposed amendments designed to improve the Bill further in respect of national security; the Opposition have proposed amendments that are essentially destructive, and based on false assumptions about the interplay between the PPP and national security. I intend to compare and contrast the proposals, because they highlight important differences between the Government's approach and that of the official Opposition.

8.30 pm

The Bill already contains substantial measures designed to protect the national interest in respect of security. Clause 81 empowers the Secretary of State to give directions to a range of people engaged in aviation and related activities in times of hostilities, severe international tension or great national emergency. Contravention, or failure to comply with a direction, is an offence punishable on indictment by unlimited fines and/or imprisonment.

New clause 5 enables the Secretary of State by order made by statutory instrument, but not subject to parliamentary procedure, to provide for taking possession of, and using for the purposes of the armed forces, any aerodrome, aircraft, or other things in or around the aerodrome in the event of actual or imminent hostilities, severe international tension or great national emergency. In other words, it is a power not to direct, but to intervene directly.

An order made under that power may include provision to secure compliance with the order, including the detention of aircraft. There is an entitlement to compensation from the Secretary of State in the event of any person suffering direct injury or loss arising from compliance with an order under the new clause. In default of an agreement between the claimant and the Secretary of State, provision is made for the amount to be settled by arbitration.

The new clause allows for greater flexibility in the choice of action that may be taken in times of hostilities. The existing power in clause 81 requires directions to be given to persons as a pre-condition for securing various controls. The new clause allows possession to be taken of aircraft or aerodromes that are the subject of an order without the need first to identify their owners or operators or to give notice. Further, instead of obliging a recipient of a direction to secure that assets are taken into the possession of the Crown, the new clause enables the Crown to take possession directly without relying on the recipient complying.

Amendments Nos. 125 to 133 are consequential to the new clause. Amendments Nos. 134, 137 and 138 substitute the new term "undertaking" for "business" to match the language in Council regulation 2407/92. Amendment No. 135 omits the requirement for prior consent of the Secretary of State or the Director of Public Prosecutions before a prosecution. Amendment No. 136 is consequential in that it applies to the new clause the definitions in clause 82 and provides for the order to be a statutory instrument not subject to parliamentary procedure.

Those are wide-ranging powers that reflect the importance that the Government attach to national security measures. Although the contents of new clause 5 were largely present in the Civil Aviation Act 1982, we have introduced it alongside the direction-making power to ensure that the Government have available to them all the means that they may need to defend the national interest at such times. Those are real, tangible protections. I commend them to the House.

By contrast, the Opposition seek only to fuel fear and suspicion. New clause 27 and the accompanying amendments are simply mischief making. They purport to ensure that the United Kingdom can exercise the functions and powers of transfer and direction under the clauses on the mistaken assumption that what we are proposing would conflict with European law, that European law will develop in such a way as to give rise to such a conflict, or that EU institutions will take over, or replace the Eurocontrol treaty arrangements.

Those matters were debated ad nauseam in Committee. I hope, although not with great confidence, that we will not end up covering the same ground in the same detail tonight. Although I respect and share the enthusiasm for national security that the hon. Member for North Essex

(Mr. Jenkin) demonstrated in Committee, I tired of dealing with his fanciful interpretations of European Community law and his scaremongering on Community competence. Indeed, some of us in the Committee suspected that the mere mention of the term "Eurocontrol" was enough to elicit a Pavlovian reaction from him and some of his hon. Friends. The best interests of UK air traffic services are served not by flogging that particular dead horse, but by putting NATS in a position to benefit from the changes that will and must come about in Europe.

As many of us know from our travels throughout the continent, all is not well in the state of Denmark—or, indeed, in France, Italy, Switzerland and a number of other countries in the core area of Europe—with regard to air traffic management. The reasons are many and complex, but among the most important is the fragmentation of the system, with efficient airspace management being constrained by national boundaries, inflexible allocation of airspace between military and civilian use, and continuing under-investment in the air traffic control capacity needed to meet the relentless growth in air traffic movements.

In Europe, there are three key organisations in air traffic management: Eurocontrol is the European organisation for the safety of air navigation and has 28 members; ECAC—the European civil aviation conference; and the European Union. However, the EU's role is very limited, being confined largely to technical standards and the like.

The Government believe that Europe can and must do better. The air traffic management system is crucial for the economic well-being of the continent generally and for the United Kingdom particularly. We are therefore active members of Eurocontrol. There is broad support for the EU's early accession to Eurocontrol.

The Government are also keen to work with the European Commission on its ideas for "A Single Sky for Europe". We do not necessarily agree with every word in the document, but it represents a genuine attempt to deal with the serious problem that I mentioned earlier, and it offers the United Kingdom a real opportunity to have influence over the way in which those issues will be tackled.

Mr. John Wilkinson (Ruislip-Northwood): Does the Minister agree that there is all the difference in the world between the facilitation of air traffic by better use of air traffic control systems and a more efficient Eurocontrol and the assumption by the European Union of a common European airspace? Airspace is a fundamental element of national security and of the sovereignty of individual nation states. Will he help the House to understand whether Ministers are clear in their own minds that the way in which the European Commission is developing its outlook on those matters could have a profound impact on our sovereignty and nationhood?

Mr. Raynsford: I agree with the hon. Gentleman, and I am glad that he shares my view about the importance of continuing to work actively within Eurocontrol to develop the current arrangements and tackle some of the weaknesses. I made it clear that we do not necessarily agree with every element of the concept of the single sky for Europe. However, we want to engage in a constructive dialogue to ensure that there is effective movement across the continent as a whole.

Nothing could be more damaging both for the economic future of Europe—the United Kingdom is intimately connected with that—and for the safety of air traffic and the development of air traffic services than a failure to achieve the necessary integration when that is required, particularly in bearing down on some of the problems and pressure points in current arrangements. We shall therefore approach the matter pragmatically, but positively—engaging in Europe to improve the standard of services.

Mr. Jenkin: To pursue the issue raised by my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson)—I have pressed the Minister on that before—will the Minister acknowledge that if the EU becomes a member of Eurocontrol, it will acquire exclusive competence both externally and internally in all matters to do with airspace policy? When the European Commission joined the general agreement on tariffs and trade, it took control of trade talks. When it joined the international patents organisation, it took control of international patents. When it joins an international airspace management organisation, it will take over competence in airspace matters. That is the purpose of the European Union's single sky programme.

Mr. Raynsford: The hon. Gentleman confirms my fear that we would hear more of his fanciful views on the European Union's aspirations completely to take over and transform the nature of organisations. That is not the agenda. There is a straightforward proposal for the European Union to become a member of Eurocontrol. We are more than happy to discuss and consider that, and we believe that there is a general support for it. The fanciful suggestion that that will involve the total transformation of Eurocontrol's framework and of the role of individual member states is one that is lodged solely in the hon. Gentleman's wilder fantasies.

We are committed believers in Eurocontrol, but it is not beyond improvement. Indeed, the problems that we face in Europe today suggest strongly that that is the case. We are keen to see the organisation's regulatory role made quite separate from its service provision arm. Therefore, in the coming year, we shall also be working hard to secure change.

In Committee, the hon. Member for North Essex suggested that our aims were somehow at variance with Community law and Community policy, both current and prospective. The UK is a member of the European Community and bound by its treaties, legislation and case law. The Secretary of State inevitably will be bound to exercise the functions and other powers highlighted by the amendments and the new clause—and any other powers in the Bill—so as not to be inconsistent with Community law. We are satisfied that our proposals are not inconsistent with those obligations and that law.

Mr. William Cash (Stone): Would the Minister explain why the new clause refers to duty rather than function?

Mr. Raynsford: Is the hon. Gentleman referring to our new clause 5, or the new clause tabled by the Opposition?

Mr. Cash: I am referring to subsection (4) of new clause 5. It says—

Mr. Raynsford: I am aware of what it says.

Mr. Cash: The Minister is not aware of anything else by the sound of it.

Mr. Raynsford: I do not share the hon. Gentleman's European fantasies. The new clause states:

> A person must comply with an order under the section notwithstanding any other duty, however arising.

That provision is extremely important, and is necessary to ensure that, in times of emergency, the Government can act.

The hon. Gentleman will recognise that it would be difficult if another party were to prevent the Secretary of State from taking control of assets, such as an aerodrome or aircraft, by threatening legal action under whatever pretext. He will undoubtedly see a European dimension, but this is drafted for far wider purposes—to ensure that there is the power for the Secretary of State to act in these specific circumstances without the risk of legal challenge.

Mr. Cash: I asked the Minister a simple question. Why does the word duty appear, and not function? In addition, has he read the title on the provisions on a common foreign and security policy in the Amsterdam treaty, which his Government brought into effect?

Mr. Raynsford: I feared that we would get into this kind of detailed textual analysis. The explanation that I gave was full and straightforward. We are creating a power to enable the Secretary of State to act effectively in national emergencies without the risk of challenge. That is the purpose of the proposal. There is no hidden European subtext.

Sir Robert Smith (West Aberdeenshire and Kincardine): Where did the concept of a great national emergency come from? Has that been defined in previous legislation?

Mr. Raynsford: It appears in clause 81 of this Bill. New clause 5 is designed to mirror clause 81, which gave the power to issue directions. New clause 5 gives the power to act directly to take control of assets. That is important for the reasons that I outlined, and the wording of the two clauses is totally analogous and refers to the same circumstances.

Mr. Iain Duncan Smith (Chingford and Woodford Green): When the Minister says that there will be no legal challenge, does he believe that anyone who presumed that the Government's actions were beyond the scope of the requirements in the European treaties would therefore be unable to take legal action?

Mr. Raynsford: This proposal is drafted with a view to protecting the national interest in a situation of emergency where it is necessary for the Government to act. That proposal was inserted to give the Secretary of State the power to act without the risk of such a challenge. There is always the possibility that someone will seek to challenge such an action, but in any case brought before the courts, it will be clear that there is a power giving the Secretary of State the ability to intervene in this way. The obligation is a clear way of saying that. That is the purpose behind the proposal.

8.45 pm

Mr. Duncan Smith: I believe that the Minister is leaving a caveat to what he said earlier and saying that if such a challenge takes place, the higher duty is to European law and overrides the Bill.

Mr. Raynsford: I suspected that the hon. Gentleman was going in that direction. I remind him of what I said earlier. The Government are clearly bound by our international treaty obligations and we must act in compliance with European law. The provisions are compatible with that, for reasons that I will explain in a moment. The fantasy conjured up by the hon. Member for North Essex in Committee, whereby the Government are unable to protect the national interest because European law takes precedence is no more than that: a fantasy.

We are a member of the European Community and will respect its legislation and case law. We are satisfied that the measures that we are taking are consistent with our obligations. Conservative Members believe that developments in Europe will inevitably lead, with or without the consent of the United Kingdom, to a situation in which our policies and practices on all matters affecting the use of airspace and the provision of air traffic services will be dictated from Brussels.

We spent a lot of time in Committee on textual analysis of the treaty of Rome, its amendments and cases taken under it dealing with Community competence in matters of national security. As I made clear then, we are satisfied that our ability under the treaty to take measures to protect national security is not impaired by the case law cited by the hon. Member for North Essex as evidence of an imminent erosion of sovereignty. The case was not proved in Committee and we provided decisive rebuttals.

It is a fact that national and international law develops over time, and I submit that to behave like Canute is not the best means of ensuring that our view on the way forward for air traffic services influences the approach taken by the Community and by Europe generally.

I make no apology for playing a full part in the current discussions on how all European Governments can best act together to meet the challenges presented by ever more crowded airspace and a plethora of service providers. The current situation cannot be sustained indefinitely and those with the most forward-looking approach to both airspace management and service provision will be those whose future is best protected. That is very much one of the guiding principles behind the PPP, and I reject wholeheartedly the case for new clause 27 and its attendant amendments.

Mr. Dalyell: When are the current discussions, which are very important, likely to reach a conclusion? There is considerable interest in the matter.

Mr. Raynsford: I cannot give my hon. Friend a date, because it is not known generally when the discussions will reach a conclusion. They are continuing and I suspect that they will continue for the rest of the year. I undertake

to write to him to give him further news of when progress is likely to be made on some of these rather important issues.

I urge the House to support new clause 5 and its attendant amendments.

Mr. Duncan Smith: The Minister, who dealt with these matters in Committee, may wonder why I am standing at the Dispatch Box. It is not because I favour him and therefore want to give him some light relief from my hon. Friend the Member for North Essex (Mr. Jenkin)—I know that he will have withdrawal symptoms as a result of my hon. Friend's absence—but because, having read what took place in Committee, I took the view that the matter was serious enough to merit the attendance of a spokesman on defence matters. I consider national security to be of overarching importance and I think that serious questions relating to defence remain following the exchanges in Committee, which is why I am here, with due deference to my hon. Friend.

In addressing the amendment and other similar amendments that apply to other parts of the Bill, I wish to establish whether clauses 38 and 81, and particularly new clause 5, will address the concerns about the control of our airspace, and thus important issues of national security. I shall return to some of the issues directly arising from the clauses, but I shall begin by trying to establish why the matter is peculiarly important given the nature of the Bill.

It is important to state from the outset that my main concern is not particularly the critical time of war or even the run to war which may be well established, with the security environment setting the tone of the Government's behaviour. It has more to do with the security issues that arise as a result of military training and operation in and around our existing airspace. In an earlier debate, the Secretary of State referred to a document that has just been published. I have not seen it because it is not in the Library. As the right hon. Gentleman referred to it, I should be grateful if he let us see its contents.

On 10 February, in Standing Committee, the Secretary of State referred to schedule 8 in respect of the unique relationship between our defence air traffic controllers and the civil controllers at NATS. That relationship is quite different from that in any other country. We run our airspace in a way that is very efficient compared with America or France which have corridors dedicated to their military airspace and separate their military controllers from the civil controllers, with all the difficulties that that entails. As the RAF do not have corridors and their controllers work cheek by jowl with their civil counterparts, they make efficient use of the airspace. Their unique relationship is both efficient and ensures greater safety within the running of the service, so it has a peculiar extra dimension.

That close relationship relies on a significant amount of trust—an awful lot is not written down, but has always operated in a certain way and works well. For example, if the RAF says that it needs certain airspace, or if for reasons of national security it wishes to block out sections of airspace for a particular time, it is agreed very quickly with NATS, with hardly any interrogation and the RAF gets the airspace that it requires without much quibbling.

My concern is that any private company that takes over the running of NATS will have a different relationship with the RAF. The relationship will, by necessity, change. The new company may be under foreign ownership. It is clear from what my hon. Friend the Member for North Essex said earlier that that is certainly a possibility. In any case it will be affected by who owns it, regardless of whether it is a foreign company or a British one. The private company will come under increasing pressure to use the available airspace for commercial purposes. It follows, therefore, that it is unlikely that the relationship with the RAF will remain the same as at times, the RAF requirements will conflict with the commercial usage of that airspace.

Our amendments to clauses 38 and 81 and new clause 5 arise from the fact that the Government will be under increasing pressure to invoke the powers granted to them under those provisions more often than they anticipate. No doubt that is why the Government drafted them. Our amendment goes to the heart of the issue: how effective such clauses are likely to be and whether they address the relevant circumstances.

The first aspect that needs to be investigated is whether the clauses really do run foul of the interpretation of existing European law and whether the Government will find it difficult to invoke them successfully over the next few years.

Unless an amendment such as that tabled by my hon. Friends is accepted by the Government—or even addressed—they will open themselves to a progressive series of challenges in the commercial domain from companies that disagree with the application of the clauses. I do not believe that the term "national security" will hold any particular power over the controlling company—it will still challenge where it believes it to be necessary.

The Minister referred to the detailed rebuttal that he gave in Committee. Therefore, it is necessary to ask why he believes that he successfully rebutted the arguments of my hon. Friend the Member for North Essex. These concerns in particular were raised in Committee. The Government rested their position, and their objection to our concerns about the functioning of the Bill under European law on their belief that, as the Minister said, national security is protected under European law. The Minister referred to a judgment made on 26 October 1999 by the European Court of Justice in the case of Angela Maria Sirdar and the Army Board, Secretary of State for Defence. I do not want to go into details; I know that the hon. Gentleman has been round this fence a few times. However, when he partially referred to paragraph 17 of that judgment, he did himself a disservice. He said that the concept of public security covers both a member state's internal security and its external security. On that, he rested the view that that judgment had made it clear that national security was enough to block off any further challenges through the European Court of Justice. I believe that he was fundamentally wrong.

It was in that particular case that the European Court of Justice made a clear statement, for the first time, that it had a right to rule on issues of national security. It prepared itself the position to say that simply saying national security is no longer good enough.

The Minister failed to show in Committee that the court no longer considers that any member nation has a general treaty exception for reasons of public security. In paragraph 16 of the judgment, the court said:

> To recognise the existence of such an exception, regardless of the specific requirements laid down by the Treaty, might impair the binding nature of Community law and its uniform application . . .

[Mr. Duncan Smith]

Furthermore, exceptions on the nature of public security are based in this case on derogations of four particular articles. The court has taken a progressively narrow view, over the years, on the way in which derogations should apply, especially if they run counter to the ethos of the market place or the single market.

It is interesting that the Minister should use that case to show that the court did not take a decision against the British Government because of the derogation. In fact, the court made it clear that it considered that it had a full right to revisit these exemptions as and when it saw fit. That is borne out by a judgment on 11 January 2000 in the case of Tanja Kreil and the Bundesrepublik Deutschland. There, the court ruled against the German Government, who had defended a position that they were taking in front of the court for reasons of national security. On this, the court was quite clear. It said:

> the question is therefore whether, in the circumstances of the present case, the measures taken by the national authorities, in the exercise of the discretion which they are recognised to enjoy, do in fact have the purpose of guaranteeing public security and whether they are appropriate and necessary to achieve that aim.

Furthermore, the court moved on the issue of derogations by showing that it would allow the use of derogation in this field only if that provision was interpreted strictly.

Thus, in a matter of weeks, the European Court of Justice first established the right to rule on concepts of national security and then went on to use the same basis subsequently to reject the German Government's position. The British Government, in the form of the Minister, used the Sirdar case, so I think it fair to continue down that road and use the next case up.

I deliberately referred to these two cases, because the Minister, in his justification for the Government's position that the new clause, and the clauses already in the Bill, will succeed, prayed in aid the Sirdar case.

Mr. Cash: My hon. Friend makes an honourable case. Given the uncertainties, the vagueness, conflicts and contradictions that are contained under the case law to which he has referred and the enormous number of variations that can occur, could anyone imagine any consistent policy emerging under new clause 5? That provision would apply

> in any time of actual or imminent hostilities or of severe international tension or of great national emergency.

One would have to go through a quagmire of legalised contradiction. Would not British national interests and national security be severely prejudiced as a result?

9 pm

Mr. Duncan Smith: If my hon. Friend will bear with me, we shall deal with that argument later on. I agree with him, but I shall cover the point more powerfully in another part of my speech.

In Committee, the Minister prayed in aid the Sirdar case for the success of his provisions. I was concerned by another of his comments. Perhaps under advice from an official—although not, I hope, one who had studied European law—the Minister quoted article 297 of the treaty as the defining moment showing that our concerns and worries were wrong.

The Minister said that the exercise of powers under clause 81 would be entirely consistent with the treaty—in other words, that national security and thus the exercise of derogations, and so on, were sacrosanct in the eyes of the Court. However, I have taken advice on the matter and article 297 means the opposite of that. It is important to re-read the article. It is about how a clash with the ECJ and the acquis communautaire would be remedied. The article states:

> Member states shall consult each other with a view to taking together the steps needed to prevent the functioning of the common market being affected by measures which a Member State may be called upon to take in the event of serious internal disturbances affecting the maintenance of law and order, in the event of war, serious international tension constituting a threat of war, or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

In effect, it states that one cannot act without consulting all parties within the EU—including the Commission—and adjusting one's actions accordingly.

If the Minister had read on, he would have seen that article 298 kills his argument completely. Article 298 makes it clear that, if the Commission takes the view that the Government have acted in a way that distorts the marketplace, it can take the Government to the ECJ on an accelerated proposal.

The treaty takes a view about a member state making what the treaty determines and the Court then decides is improper use of legislation. The Minister's firm ground in Committee is now very shaky indeed. If the Government felt it necessary to use these provisions to protect national security, there are serious doubts that they would succeed, and that they would not have an injunction placed on them. They need to face up to that problem.

The Government must also face up to some other difficulties presented by their provisions. Their stance is not absolute. There is a progressive process that is likely to give a private company the reason and opportunity to challenge the Government's interpretation of national security—not in great moments of crisis and conflict but, when there is a military requirement for airspace, they may find themselves in some difficulty.

Let us move on to other aspects of the clauses. What will happen if, for example, the Government have security concerns about an employee or employees of the future privatised company? Those concerns might not necessarily arise during a conflict, but in a normal working year when the Government do not have a specific conflict in mind. Clause 38 does not deal with that point even though it should. The Government may decide that certain people pose a security risk to the running of the company, particularly given its relationship with military controllers, but the clause gives them or the company no powers to insist that those people are not employed for security reasons.

In Committee, my hon. Friend the Member for North Essex referred to the security difficulties of the Kosovo operation. I cite a more obvious example. The French take a different view on the use of our military in Iraq and there may be differences that could lead the Government to decide that a person employed may cause a security breach or lapse as a result of his close connection with the military on the control of airspace. The Government should have addressed that problem in clause 38, but they

have not done so. I urge them to think carefully about it and, if necessary, to table further amendments. At present, the clause is flawed.

Even if the Government want to use another device to stop someone being employed, they will face difficulties. The European security and defence identity process will mean that anyone from the Commission to the European Court will take the view that, because we are in a common defence position, it is difficult to say that a security risk arises in relation to any other member of the European Union. Because the Government have not addressed the problem in clause 38, they have no hook on which to hang that objection. That will create a huge problem for them in the future.

Why does clause 38 not refer to compensation if the Government intend to use the devices available to them? What will happen if there is no compensation provision? Clause 81 and new clause 5 contain such a provision, but if a private company is aggrieved by the provisions employed in clause 38, it will want to take redress in legal processes.

Mr. Raynsford: It might help if I point out to the hon. Gentleman that he has misread clause 38, which is about giving directions. He will surely understand from what I said earlier that there is a distinction between new clause 5, which allows for powers to seize assets and where compensation is clearly appropriate, and the provisions that give directions to the licence holder to act in a certain way. He must recognise that, if there is a fear about the security rating of an individual, that matter can be well covered by the provisions in clause 38(2).

Mr. Duncan Smith: I hear what the Minister says. On compensation, the directions to which he referred could, and are likely to, lead to claims for compensation because the directions might result in changes of operation. As a result of that, the company might claim that there is problem. The Minister dismisses all the arguments as though the Government have arrived with a tablet of stone that cannot be changed. I simply point to a problem.

I do not think that the Minister's other point about whether it is possible to dismiss someone is covered by the clause. He should take serious legal advice, because a company is bound to challenge the provisions.

Under the combinations of events that I have described, a private company is more likely to make a challenge over the issue of national security. The vagueness of some of the wording will, I suspect, lead to further challenges to the Government in the European Court. Clause 81(2)(e) says that the Government may give directions to

> a person who owns or operates a relevant asset.

That phrase is so vague that any decision made under the clause in that respect will almost automatically be challenged.

I return to paragraph 26 of the Sirdar judgment that the Government were so keen to pray in aid in Committee. When the issue of national security is invoked, the court states:

> That principle requires that derogations remain within the limits of what is appropriate and necessary.

I have genuine and serious concerns about the Government's overall position on national security. This is not an argument for or against privatisation. However, by the Bill, the Government have opened the door to an issue that was not necessarily questioned previously. It is not enough for the Government, without any serious comment or explanation about our relationship with the European Union, to say that they rest on their own strange belief that all will be well because everyone will trust the Government's judgment.

I sat on the Government Benches when the Conservative Government were in office. I remember Conservative Ministers often saying exactly the same thing. There was almost deja vu when I read some of the Minister's comments in Committee and set them against those made by some of his predecessors within the Conservative party when they were in government. In so many cases they found themselves eating their words two, three or four years later. In each instance they said that they could not have anticipated that the court would move in a particular direction. The Minister should take note of that. Unless he finds his own words an excellent diet, he should be prepared to find himself in deep difficulties in a few years' time.

There is a unique relationship that I would wish to see replicated if a private company is to take over the running of our airspace. That is unlikely as long as the Government fail to accept our amendments or fail to recognise that there is an issue which poses the question, "Who controls our airspace?" That is the key. Throughout consideration of the Bill in Committee the Government failed to answer that question. If they do not do so tonight, the issue of national security remains live and may yet pose huge problems for the implementation of the Bill when it is enacted. When the Government need the legislation, it will not be there. I am deeply concerned.

Mr. Brian H. Donohoe (Cunninghame, South): I shall speak to amendment No. 147, which stands in my name. I shall be brief in asking my hon. Friend the Minister two specific questions.

First, the Government have introduced a provision that suggests that ownership can be taken down to 25 per cent. If what I have learned in the Select Committee on the Environment, Transport and Regional Affairs is anything to go by, a foreign company is almost certain to be the successful bidder. I am concerned about national security. The Government talked originally about a public-private partnership, and I want to know why the Government would accept a 25 per cent. shareholding. Surely this must have a major effect on national security. I want to have some assurances that that is not the position.

During the discussions of the Select Committee, one of the most interesting episodes was a meeting with the senior management of National Air Traffic Services. We talked about expansion and they said that our technology was potentially at the leading edge. They added that that would lead to the possibility of us participating in foreign air traffic control. I believe that there could be problems if the Government were to have any shareholding in air traffic control.

Let us say that the Government maintain their 49 or 46 per cent. holding, a private company is taking control and it decides that it will invest in, for example, Russian air traffic control. There is always the potential for a problem in that airspace. Were there to be a major incident with two airliners crashing, what would be the political and diplomatic implications of such an

[Mr. Brian H. Donohoe]

investment? In those circumstances, the British Government could be under an A-bomb if there were such an incident in foreign climes. I did not receive a reasonable response on that until the directors of NATS told me that they could not foresee NATS making foreign investments while it had even a single share in publicly owned companies in this country.

9.15 pm

Is that the case? Have we been debating the inevitability of privatisation and are we moving down the road to full-scale privatisation? The technology that we have been told will come on stream at Swanwick and, I assume, Prestwick, could not be used abroad under the auspices of shareholdings still maintained by the public sector and the Government. I would be obliged if my hon. Friend the Minister would reply to that in his summing up.

Mr. Cash: We are debating a transport Bill, but at the heart of this evening's debate is new clause 5, which deals with the defence of the United Kingdom.

Let us imagine going back to, say, 9 May 1940. Tomorrow happens to be my birthday, and it is also the anniversary of the day that Churchill became Prime Minister and, unfortunately, the day on which the Germans invaded the Lowlands. The RAF obtained its first Victoria Cross when Maastricht was invaded on 10 May 1940. *[Interruption.]* If the Minister would be good enough to listen to my speech for a couple of minutes, which he is obviously incapable of doing—

Mr. Raynsford: The hon. Gentleman has been a Member of Parliament for a long time, so he will know that it is perfectly possible for Ministers to pay attention to the debate and, at the same time, have brief discussions with Whips on matters relating to complex procedures such as those being followed tonight. I hope that he will be less offensive in future.

Mr. Cash: I have no intention of being any less offensive.

Mr. Deputy Speaker (Mr. Michael Lord): Order. Perhaps the hon. Gentleman would return to the subject that we are debating.

Mr. Cash: Would the Minister be good enough to tell me what I have just said?

Mr. Raynsford *indicated dissent.*

Mr. Cash: Obviously he was not listening, as it seems that he has not the faintest idea of what I was talking about. I have therefore made my point.

The new clause concerns the inherent contradictions between the defence of the realm and the Bill's provisions. The Minister referred to our obligations. Subsection (4) of the new clause, which I mentioned earlier, refers to the duty imposed by the Secretary of State. However, if the Minister refers to the European Communities Act 1972, he will see that section 2 clearly states:

in the exercise of any statutory power or duty, including any power to give directions, or to legislate by means of orders—

to which new clause 5 relates—

rules, regulations or other subordinate instrument, the person entrusted—

meaning the Minister himself, if only he would listen—

with the power or duty may have regard to the objects of the Communities and to any such obligation or rights as aforesaid.

I heard the Minister say that my hon. Friends on the Front Bench were living in a fantasy world. However, the provisions that he will introduce in the new clause are mirrored in the provisions of section 2 of the 1972 Act.

The fact is that there is no absolute requirement with respect to duties, but there is a reference to powers. That is why, in an intervention, I asked the Minister, who obviously could not answer, why the Government chose to refer to duties rather than functions. The Minister may not understand the provisions that he is introducing, but the fact is that the word "duty" is carefully chosen, because the word "functions" would include "powers". With that, we enter the arena of the provisions of title V of the Amsterdam treaty. The Minister can shake his head, but he cannot avoid the reality that everything I am saying will happen in due course.

I do not need to go into the details, because they are as clear as daylight. The interaction between the provisions of the Amsterdam treaty, of clauses 38 and 81 and of new clause 5 will reveal that they are inherently contradictory. There is no possibility that anyone will be able, in the defence of the realm, to know exactly what is going on. As my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) said, there is no way, in the event of imminent hostilities or a great national emergency, that anyone will have the opportunity to plough through all the case law and the requirements that have been laid down.

The Minister did not listen when I spoke about incidents that occurred 60 years ago, almost to the day. In those days, we were able to send Spitfires and Hurricanes to defeat an enemy. If new clause 5 is to have any credibility, it must be able to deal with situations of the sort that I described—if it cannot, why bother to introduce it? If there is no reason for concern about national security or the defence of the realm, there is no need to bother with new clause 5—it is irrelevant.

The fact that the Government have introduced the new clause, albeit at the end of our proceedings on the Bill, is an admission that the defence of the realm does matter. It follows that all the provisions must be workable. The Minister shakes his head and in so doing tells the House and the nation that he is not perturbed in the slightest by the fact that there might be contradictions between various provisions of the Bill. However, I believe that the time will come when those deficiencies and contradictions emerge. If they do not become obvious, it will only be owing to the Minister's good luck.

The bottom line is that there are huge contradictions. It would take far more time than is available to me tonight to go through them all. I only hope that the Minister and his advisers are prepared to look again at the provisions to establish whether or not they are right. The question of whether I am right or they are right is secondary to that of the national interest. We are dealing with defence of the realm. The Bill's many other important provisions relating to transport will pale into insignificance if the clauses that we are dealing with now go wrong.

The Government's new clause states:

This section applies in any time of actual or imminent hostilities or of severe international tension or of great national emergency.

It is impossible that the need for such a provision was not anticipated when the Bill was first drafted. Why, then, is it being introduced at the tail end of proceedings, by way of a Government new clause? I should like to add, on a conciliatory note—

Mr. James Gray (North Wiltshire): Do not get carried away.

Mr. Cash: I shall not. While I do not want to be offensive, I want to be direct. That the Minister is not a Defence Minister is not his fault, but I have to tell him that, if the new clause was drafted in consultation with the Ministry of Defence, he has not done the job properly.

If the Minister looked—it would take far too long to go through it—at the research paper published by the House of Commons Library international affairs and defence section on 21 February this year, "European Defence: From Pörtschach to Helsinki", he would note that there is now a new EU military structure. That structure clearly identifies the roles of the commander-in-chief and the extent to which—this might come as a surprise to the Minister, who is not in the MOD—it is anticipated that our potential adversaries have weapons of mass destruction.

Therefore, under the confines of title V of the Amsterdam treaty, which was passed by this Government, there is a defence dimension. *[Interruption.]* If the Minister thinks that that is funny, the matter will haunt him if and when things go wrong. I am amazed by the Minister's reaction to the proposal because his new clause does not stand up. Has he consulted the MOD?

Mr. Raynsford: Yes.

Mr. Cash: Has the Minister read or understood title V of the Amsterdam treaty? Can he reconcile the provisions of new clause 5, and clauses 81 and 38 to the extent that the people of this country will be satisfied that, if the lights go out, they will be properly defended and not simply left at risk as a result of this confused, vague, contradictory Bill?

Mr. Wilkinson: I am most grateful—I think that the whole House will have been—to my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) for taking part in the debate on new clauses 5 and 27 and relevant amendments that deal with national security. I will not follow all the detailed arguments that he adumbrated, but I stress that the Government have done well, even at this late stage, to introduce, under new clause 5, powers of requisition in time of national emergency or war of aerodromes, aircraft and relevant equipment. That is entirely appropriate but insufficient without the provisions of new clause 27.

The acquis communautaire is viewed as something in the past and static, but we are legislating for many years to come. The acquis communautaire is always growing; to my knowledge, there are no examples of it receding. The competence of the European Union in matters relating to civil air transport and aviation are clearly growing. The evidence is plain. Let us consider recent examples.

There is the question of bilateral air service agreements. Previously, they were always a matter entirely of national competence—and rightly so. Let us consider questions of capacity on routes, frequencies of service and gateways to or from which those services are operated. Let us consider the matter of slots. The issue of frequency of operation at airports and the facility for airlines to operate from an airport at certain intervals have been jealously guarded, and in this country normally regulated by voluntary mechanisms at individual airports. The European Commission now wishes to take that over, and that has great significance.

My hon. Friend the shadow spokesman and, obliquely, the Minister, spoke about the EU's ambition to take over Eurocontrol. Eurocontrol would in essence become an agency of the European Union, rather than, as hitherto, a mechanism for mutual co-operation between sovereign, independent nation states in the whole of Europe, to facilitate the efficient management of air transport through the crowded and congested airspace of our continent.

9.30 pm

There is a huge difference between the new concept and the system that we operated in the past, which, despite differences of specification and equipment between nations, the requirements of the military and so on, has worked reasonably well. There has always been a need for improvement. At holiday times, the congestion on the airways can be severe, and Eurocontrol has much work to do, but it should be done in co-operation with national Governments, voluntarily. The issue is technical, rather than political.

Then there is the matter of joint airworthiness requirements. Aircraft are now built to European standards of certification, and aircraft imported into our continent are validated to European standards—joint airworthiness requirements.

Flight crew licensing is a controversial issue, on which we have had debates. The European Civil Aviation Conference has imposed new continentwide regulations which it is eager to impose on flight crew in this country. Those are costly and less effective than the simpler and more straightforward regulations under which air crew have been licensed in the past in the UK.

It is clear from all that that the European Union has hegemonistic aspirations in airspace management. To imagine otherwise is to be blind to the way in which the EU has developed in recent years. The Government would therefore be wise willingly to incorporate new clause 27 into the Bill.

Under clause 81(4)(a), the Secretary of State would have powers to give directions

to regulate or prohibit (absolutely or subject to conditions) the navigation of all or any descriptions of aircraft over the United Kingdom.

If that were challenged by the European Union, as it probably would be, it could cause our Government great difficulty unless we made it plain that British law had precedence over European law in this matter.

Mr. Duncan Smith: My hon. Friend makes a good point, which I had hoped to raise with the Minister, and I shall do so now. If the measure were challenged under article 298 of the European Union consolidated treaties,

[Mr. Duncan Smith]

it would not be a defence for the Government to invoke the concept of national security and claim that they are unable to define the requirement exactly because of national security, as article 298 states:

> The Court of Justice shall give its ruling in camera.

That means that the court will require detail of the reason, which the MOD may not wish to give.

Mr. Wilkinson: I am grateful to my hon. Friend, who puts flesh on the bones of my argument.

Under subsection (4)(b), the Secretary of State would also have powers to give directions

> to regulate or prohibit (absolutely or subject to conditions) the use, building, maintenance or establishment of aerodromes or flying schools or of any description of aerodrome or flying school.

Those are commercial or industrial matters, and again the European Union could understandably claim that its industrial policy should have precedence over our national considerations of sovereignty and independence.

I urge the Government, even at this late hour, to think again. We are not being fanciful. We are not having flights of wild imagination. We are not carried away with Europhobia or anything of the kind. Our arguments are intensely realistic. The Minister is a reasonable man, who has a great grasp of detail. I hope that he appreciates that our arguments have force, and that he will accept them.

Mr. Raynsford: We have had an interesting debate, punctuated by Opposition Members' anxieties about the imagined impact of European Union obligations on national security. Perhaps it would help if I summarised the basic thinking behind the amendment. We have not tabled the new clause at such a late stage simply because of an oversight; we believed that it was necessary to add a further provision in addition to clauses 38 and 81.

As I explained earlier, we believed that it was appropriate to grant the Government direct powers of intervention rather than depending on directions, for which clause 38 provides. I hope that we have made a convincing case for the importance of quick action by Government in times of national emergency. New clause 5 would facilitate that.

Mr. Jenkin: I want to pursue a point that my hon. Friend the Member for Stone (Mr. Cash) made. New clause 5(4) states:

> A person must comply with an order under this section notwithstanding any other duty, however arising.

What other duties does the Minister envisage?

Mr. Raynsford: The new clause is clear. It states "notwithstanding any other duty". That is a clear and firm statement of intent. As I explained earlier in response to the interventions of the hon. Member for Stone (Mr. Cash), we believe that the Secretary of State should be able to act without fear of challenge from a party that would try to use the courts to frustrate the Government's action. The Bill includes provisions to enable the Secretary of State to act decisively and to make it clear that no other duties will override that for which the Bill provides.

Mr. Jenkin: Let us suppose that our fantasies are realised and a duty to comply with a contractual obligation arose under European legislation. Would that duty be set aside under new clause 5? Does the new clause apply to any duty under European Community law?

Mr. Raynsford: I shall have to repeat my response. I am sorry if it is becoming tedious for my hon. Friends, but it is clear that Conservative Members are finding the point difficult to grasp. We are satisfied that our measures are entirely compatible with our treaty obligations. We do not accept Conservative Members' analysis—or fantasy—about a perceived or real conflict between European treaty obligations and the Bill. I shall consider that point in detail later.

Mr. Cash: If the Minister would be kind enough to consider title V of the Amsterdam treaty, perhaps he would concede that it provides that we "shall" comply with a range of provisions, but that in the case of a common action plan, we "may" have to comply with specific provisions, subject to qualified majority voting. We are considering not only duties but powers. I therefore asked the Minister why the new clause did not refer to "functions", which include powers and duties, instead of merely to duties.

Mr. Raynsford: In the nicest possible way, I tell the hon. Gentleman, who is becoming a little tedious, that the Bill is drafted with a view to achieving clarity rather than indulging the fantasies of hon. Members who spend their time immersed in textual analysis of obscure European provisions.

To come to the point, we have introduced the provisions to ensure that the protection of the national interest and national security is unequivocal. The hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) asked whether the change of ownership could prejudice joint civil and military operations. He mentioned the Joint Air Navigation Services Council document, to which my right hon. Friend the Deputy Prime Minister referred. I shall pass him a copy, but I assure him that it makes it clear that that body believes that the new arrangement will

> preserve the successful civil/military relationship that currently exists between NATS and the MOD and ensure that air traffic services are sustained on a joint and integrated basis, post PPP.

The MOD has been closely involved in the preparation of the provisions and is fully content that under the PPP its joint working arrangements with NATS will be maintained effectively and that national security will not be compromised.

I make it clear that the choice of strategic partner will depend on several factors, one of which will be the ability to demonstrate an appropriate security culture. Under the terms of the licence, we shall be able to prevent unacceptable changes in the control of NATS on national security grounds.

The hon. Gentleman asked who would control our airspace. I make it absolutely clear that UK airspace remains under UK control regardless of who is the strategic partner. Air traffic services will be provided under a licence, which may be revoked, or the special administration regime may be triggered if the licence conditions or the statutory duties, including safety duties, are breached.

The other main thrust of the hon. Gentleman's remarks relate to the competence of the European Commission and the European Union. The Commission has seen the Bill's

text and has not suggested that there is any conflict between any of its provisions and the requirements of the treaty. Of course, I do not expect Conservative Members to accept that.

Mr. Duncan Smith *rose—*

Mr. Raynsford: I will give way in a moment, if the hon. Gentleman restrains himself. Conservative Members demonise the Commission, so the idea that it can have had a sensible and intelligent discussion with us about the provisions is completely alien to their nature, but if they return from fantasy land to the real world, they will realise that that is the reality.

Mr. Duncan Smith: The hon. Gentleman says that we demonise the Commission, but if I were part of the Commission, I would have exactly that opinion. It falls in with our argument—the Commission is content because the provision lays the Government open to the future policies that we have discussed.

I ask the Minister a simple question. He mentioned the action that the Government may take under new clause 5, or under clauses 38 or 81, but especially under new clause 5(4), which includes the words:

notwithstanding any other duty, however arising.

He said that in the clear belief that no other duty will matter, because the derogation on national security is absolute, but he should remind himself that the derogation exists for only four articles of the treaty of Rome. There is no derogation on any other article. Beyond those four, the Government will face a clash of duty, and the duty will be to European law.

Mr. Raynsford: Despite the hon. Gentleman's continued attempt to muddy the waters by suggesting that the EU will have competence in matters beyond those in which it already has competence, it cannot rule on matters that are outside its treaty competence, and a court cannot provide competences that do not exist. The treaty does not confer competence with regard to national security and defence. We have exhausted that issue, and I shall not spend much of my time fruitlessly reading documents that the Conservative party has consistently misinterpreted year on year—a fact that explains its curious position on Europe.

9.45 pm

Mr. Jenkin: Would it be legal to invoke the golden share on grounds of national security?

Mr. Raynsford: The golden share is there to preserve a number of national interests, and can be used in respect of national security issues as well as other matters. We have dealt with the issue of the power of the golden share, and that of the potential suspected European challenge to the golden share, which Opposition Members raised in Committee, and we are satisfied that the golden share is compatible with our European treaty obligations.

My hon. Friend the Member for Cunninghame, South (Mr. Donohoe) asked about the implications of Government shareholding for the future expansion of NATS overseas. I assure him that NATS will engage in future activities abroad as a private company, and that the Government's shareholding will not play a role. The Government will not be involved in any direct contractual relationship with overseas Governments. As I have said, we expect NATS—as a public-private partnership with a solid share structure—to be able to thrive in overseas markets, subject to the laws of the jurisdictions in which they operate.

Mr. Donohoe: Can the Minister answer a simple question? Why was an amendment tabled in Committee to reduce the Government's shareholding to 25 per cent?

Mr. Raynsford: As I explained in some detail then, the provision is intended to deal with a dilution of the share capital. That might happen for a number of reasons. It might be considered appropriate to raise additional finance, or it might be considered appropriate to enter into joint ventures with other parties. In such circumstances, it might seem right to dilute the share capital, and to allow the Government's shareholding to fall to, but not below, 25 per cent. That in no way compromises all the powers and safeguards that are in place, to which my right hon. Friend the Deputy Prime Minister referred earlier. The golden share remains, the partnership shareholders retain their role and their power, the shareholders' agreement with the strategic partner remains in force, and all the existing safeguards will continue irrespective of that possibility. It is simply a provision to allow for a possible commercial eventuality, which should not be seen as a cause for concern.

The hon. Member for Stone described the Bill in terms that reminded me of himself. He spoke of a confused, vague, contradictory and repetitive Bill, and I do not think that he added much to the debate. The hon. Member for Ruislip-Northwood (Mr. Wilkinson) spoke of the hegemonistic aspirations of the European Union. That merely reinforced my fear that the Opposition were being driven by a particular view of Europe that was clouding their judgment.

These are sensible, practical provisions, which will enable us to look after the interests of national security in a practical, common-sense way. They are far removed from the Opposition's motivation, which is clearly conditioned by their negative view of Europe. We would prefer to be engaged positively with Europe in building a better future for air traffic control systems in this country and throughout Europe.

Mr. Jenkin: The position can be summarised in this way: the Government are in complete denial about the fact that national security issues are justiciable by the European Court, and that the derogations allowed to member states that wish to act on grounds of national security are very limited.

Let me ask the Minister, for example, whether the golden share could be invoked on grounds of national security. The opinion from the Commission makes the answer absolutely clear. Article 223 of the relevant treaty—the old treaty, that is; according to the new numbering, it is article 296—allows

Member states to take measures they consider necessary for the protection of . . . their security which are connected with the defence sector. However, the Court of Justice pointed out that Article 223 covers only exceptional and clearly defined cases.

Because of its limited character, this article does not lend itself to a wide interpretation and it is not possible to infer from it that there is inherent in the Treaty a general proviso covering all measures taken for reasons of public security.

[Mr. Jenkin]

That absolutely lays it down. It is why the Germans lost the Kreil case. *[Interruption.]* It does not matter whether internal or external security is involved. That provision means that, although the Minister has obviously been advised in good faith that there is an exemption for all invocations of public security, the general blanket exemption does not exist. It is in the treaties. For example, article 36—I am looking at the old treaty again—says:

> The provisions of Articles 28 and 29 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security.

There is the exemption, but it is prescribed that

> prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between Member States.

Therefore, every invocation of public security that Ministers may make will have to be justified. What is more, it will have to be justified in terms of articles 297 and 298, which can require the European Court of Justice to require the member state to give reasons in camera in court. Therefore, the Ministry of Defence will have to go to the European Court of Justice in secret session to justify why the Government should inflict an obligation on the private company running National Air Traffic Services.

It is all spelled out. If the Government cannot accept it, we will have to press our amendment to new clause 5 to a vote.

Question put and agreed to.

Clause read a Second time.

Amendment proposed to new clause 5: (a), at end of subsection (4) insert—

'including any duty arising under or by virtue of the European Communities Act 1972 (as amended).'.—*[Mr. Jenkin.]*

Question put, That the amendment be made:—

The House divided: Ayes 136, Noes 405.

Division No. 187] **[9.53 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, Rt Hon James
Atkinson, David *(Bour'mth E)*
Baldry, Tony
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chope, Christopher
Clappison, James
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
Kirkbride, Miss Julie
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mrs. Eleanor Laing and
Mr. Peter Atkinson.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Baker, Norman
Ballard, Jackie
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cable, Dr Vincent
Caborn, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Rt Hon Menzies *(NE Fife)*

Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Rt Hon Robin *(Livingston)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gidley, Ms Sandra
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Rt Hon Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Jowell, Rt Hon Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
Maclennan, Rt Hon Robert
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Rt Hon Alun
Michie, Bill *(Sheffld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard

Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Welsh, Andrew
Whitehead, Dr Alan
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Wilson, Brian
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Tony McNulty and
Mr. Don Touhig.

Question accordingly negatived.

Clause added to the Bill.

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of business to be concluded at that hour.*

New Clause 1

EXCEPTIONS

'.—(1) The CAA must not make a final order or make or confirm a provisional order if it is satisfied that—

(a) the duty imposed on it by section 2 precludes it from doing so, or

(b) the most appropriate way of proceeding is under the Competition Act 1998.

(2) If the CAA is satisfied that any of the conditions in subsection (3) applies it must not make a final order or make or confirm a provisional order unless it believes that it is appropriate to do so.

(3) The conditions are that—

(a) the licence holder has agreed to take and is taking all the steps the CAA thinks appropriate to secure or facilitate compliance with the duty or condition concerned;

(b) the contraventions or apprehended contraventions are trivial;

(c) the contraventions or apprehended contraventions will not adversely affect the interests of the persons referred to in subsection (4);

(d) the Secretary of State has made an application under section 28 for an air traffic administration order in relation to the licence holder.

(4) The persons are operators and owners of aircraft, owners and managers of aerodromes, persons travelling in aircraft and persons with rights in property carried in them.

(5) These interests are the only ones to be considered under subsection (3)(c)—

(a) interests regarding safety;

(b) interests regarding the range, availability, continuity, cost and quality of air traffic services.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 4

DIRECTIONS RELATING TO THE ENVIRONMENT

'.—(1) The Secretary of State may give such directions as he thinks are necessary or expedient—

(a) to prevent or deal with noise, vibration, pollution or other disturbance attributable to aircraft used for the purpose of civil aviation;

(b) to limit or mitigate the effects of such noise, vibration, pollution or disturbance.

(2) Directions under this section may be given to—

(a) a licence holder or licence holders generally;

(b) a person who is authorised by an exemption to provide air traffic services (an authorised person) or authorised persons generally.

(3) A direction under this section may be of a general character or may require a licence holder or an authorised person to do or not to do a particular thing.

(4) A direction under this section may include provision requiring persons to have regard to guidance which relates to the environment and which the Secretary of State may issue from time to time.

'(5) In so far as a direction under this section conflicts with the requirements of section 38 or 81 or of an order under section (*Orders for possession of aerodromes, etc.*), the direction is to be disregarded.

(6) In so far as a direction under this section conflicts with the requirements of an enactment or instrument other than section 38 or 81 or an order under section (*Orders for possession of aerodromes, etc.*), the requirements are to be disregarded.

(7) Before giving a direction under this section to a particular licence holder or authorised person (as opposed to licence holders or authorised persons generally) requiring him to do or not to do a particular thing, the Secretary of State must consult—

(a) that licence holder or authorised person;

(b) the CAA.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 11

CAA's 1973 ACT FUNCTIONS

'.—(1) For the purposes of this section the CAA's 1973 Act functions are the functions mentioned in subsection (2) of section 76 which, by virtue of that section, are functions of the CAA.

(2) The CAA must exercise its 1973 Act functions in the manner it thinks best calculated—

(a) to further the interests of operators and owners of aircraft, owners and managers of aerodromes, persons travelling in aircraft and persons with rights in property carried in them;

(b) to promote efficiency and economy on the part of suppliers of air traffic services;

(c) to secure that suppliers of air traffic services who are licence holders will not find it unduly difficult to finance activities authorised by their licences;

(d) to take account of any international obligations of the United Kingdom notified to the CAA by the Secretary of State (whatever the time or purpose of the notification);

(e) to take account of any guidance on environmental objectives given to the CAA by the Secretary of State after the coming into force of this section;

(f) to impose on suppliers of air traffic services the minimum restrictions which are consistent with the exercise of the CAA's 1973 Act functions.

(3) These interests are the only ones to be considered under subsection (2)(a)—

(a) interests regarding safety;

(b) interests regarding the range, availability, continuity, cost and quality of air traffic services.

(4) The reference in subsection (2)(a) to furthering interests includes a reference to furthering them (where the CAA thinks it appropriate) by promoting competition in the provision of air traffic services.

(5) If in a particular case there is a conflict in the application of the provisions of subsections (2) to (4), in relation to that case the CAA must exercise its 1973 Act functions in the manner it thinks is reasonable having regard to the provisions of subsections (2) to (4) as a whole.

(6) Section 4 of the Civil Aviation Act 1982 (CAA's general objectives) does not apply in relation to the performance by the CAA of its 1973 Act functions.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 12

CAA's 1998 Act functions

'.—(1) For the purposes of this section the CAA's 1998 Act functions are the functions mentioned in subsection (3) of section 76 which, by virtue of that section, are functions of the CAA.

(2) In exercising its 1998 Act functions the CAA may (in particular) have regard to any matter which satisfies the following condition.

(3) The condition is that the matter is one to which, by virtue of section (*CAA's 1973 Act functions*), the CAA must have regard in exercising its 1973 Act functions (within the meaning of that section).'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 20

Commission's power to give direction

'.—(1) This section applies if the Competition Commission is given notice under section 13.

(2) Within the permitted period the Commission may give a direction to the CAA—

(a) not to make the modifications set out in the notice, or

(b) not to make such of those modifications as are specified in the direction.

(3) But the Commission may give a direction only if it thinks the modifications concerned are not appropriate to remedy or prevent the adverse effects specified in the Commission's report on the reference under section 11.

(4) If the Commission gives a direction it must—

(a) publish a notice in such manner as the Commission thinks appropriate for bringing the matters to which it relates to the attention of persons likely to be affected by the direction, and

(b) serve a copy of the notice on the licence holder.

(5) The notice must set out—

(a) the modifications set out in the notice given under section 13,

(b) the direction, and

(c) the reasons for giving the direction.

(6) If the permitted period expires without a direction being given under subsection (2) the CAA must make the modifications set out in the notice given under section 13.

(7) If within the permitted period a direction is given under subsection (2)(b) the CAA must make the modifications which are—

(a) set out in the notice given under section 13, and

(b) not specified in the direction.

(8) As soon as practicable after making modifications under this section the CAA must send a copy of them to the licence holder and a copy to the Secretary of State.

(9) The permitted period is the period of four weeks starting with the day the Commission is given notice under section 13.

(10) But if within that period—

(a) the Commission applies to the Secretary of State to extend it to six weeks, and

(b) he directs that it is to be so extended,

the permitted period is the period of six weeks starting with the day the Commission is given notice under section 13.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 21

Position where Commission gives direction

'.—(1) This section applies if the Competition Commission gives a direction under section (*Commission's power to give direction*)(2).

(2) If the direction is given under section (*Commission's power to give direction*)(2)(a) the Commission may itself make such modifications of the conditions of the licence as it thinks are needed to remedy or prevent the adverse effects specified in the Commission's report on the reference under section 11.

(3) If the direction is given under section (*Commission's power to give direction*)(2)(b) the Commission may itself make such modifications of the conditions of the licence as it thinks are needed to remedy or prevent such of the adverse effects as—

(a) are specified in the Commission's report on the reference under section 11, and

(b) would not be remedied or prevented by the modifications set out in the notice under section 13 and not specified under section (*Commission's power to give direction*)(2)(b).

(4) Before making modifications under this section the Commission must—

(a) publish a notice in such manner as the Commission thinks appropriate for bringing the matters to which it relates to the attention of persons likely to be affected by the making of the modifications,

(b) serve a copy of the notice on the licence holder and a copy on the CAA, and

(c) consider any representations made in accordance with the notice (and not withdrawn).

(5) The notice must—

(a) state that the Commission proposes to make the modifications and state their effect and the reasons for so proposing, and

(b) state the period (not less than 28 days starting with the date of publication of the notice) within which representations may be made regarding the proposed modifications.

(6) As soon as practicable after making modifications under this section the Commission must send a copy of them to the licence holder, a copy to the Secretary of State and a copy to the CAA.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 22

DIRECTIONS: FURTHER PROVISION

'.—(1) Directions under section 64(1) may include provision as to the manner in which the CAA is to exercise its air navigation functions.

(2) The provision may include—

(a) provision requiring consultation with specified persons or specified descriptions of persons in relation to specified matters;

(b) provision requiring the CAA to seek the approval of the Secretary of State in relation to specified matters;

(c) provision requiring the CAA in specified circumstances to refer specified matters to the Secretary of State.

(3) If a matter is referred to the Secretary of State by virtue of subsection (2)(b) or (c), he may give such directions to the CAA as he thinks fit.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 23

INFORMATION FOR PURPOSES OF CHAPTER III

'.—(1) The CAA may, for any purpose connected with its air navigation functions, serve on a person who provides air traffic services a notice which—

(a) requires the person to produce any documents which are specified or described in the notice and are in his custody or under his control, and to produce them at a time and place so specified and to a person so specified, or

(b) requires the person to supply information specified or described in the notice, and to supply it at a time and place and in a form and manner so specified and to a person so specified.

(2) A requirement may be made under subsection (1)(b) only if the person is carrying on a business.

(3) No person may be required under this section—

(a) to produce documents which he could not be compelled to produce in civil proceedings in the court;

(b) to supply information which he could not be compelled to supply in such proceedings.

(4) If a person without reasonable excuse fails to do anything required of him by a notice under subsection (1) he is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(5) If a person intentionally alters, suppresses or destroys a document which he has been required to produce by a notice under subsection (1) he is guilty of an offence and liable—

(a) on summary conviction, to a fine not exceeding the statutory maximum;

(b) on conviction on indictment, to a fine.

(6) If a person makes default in complying with a notice under subsection (1) the court may on the CAA's application make such order as the court thinks fit for requiring the default to be made good.

(7) An order under subsection (6) may provide that all the costs or expenses of and incidental to the application are to be borne—

(a) by the person in default, or

(b) if officers of a company or other association are responsible for its default, by those officers.

(8) A reference to producing a document includes a reference to producing a legible and intelligible copy of information recorded otherwise than in legible form.

(9) A reference to suppressing a document includes a reference to destroying the means of reproducing information recorded otherwise than in legible form.

(10) A reference to the court is to—

(a) the High Court in relation to England and Wales or Northern Ireland;

(b) the Court of Session in relation to Scotland.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 24

GENERAL DUTY

'.—(1) The CAA must exercise its air navigation functions in the manner it thinks best calculated—

(a) to secure the most efficient use of airspace consistent with the safe operation of aircraft and the expeditious flow of air traffic;

(b) to satisfy the requirements of operators and owners of all classes of aircraft;

(c) to take account of the interests of any person (other than an operator or owner of an aircraft) in relation to the use of any particular airspace or the use of airspace generally;

(d) to take account of any guidance on environmental objectives given to the CAA by the Secretary of State after the coming into force of this section;

(e) to facilitate the integrated operation of air traffic services provided by or on behalf of the armed forces of the Crown and other air traffic services;

(f) to take account of the interests of national security;

(g) to take account of any international obligations of the United Kingdom notified to the CAA by the Secretary of State (whatever the time or purpose of the notification);

(h) to impose on providers of air traffic services the minimum restrictions which are consistent with the requirements of the above paragraphs.

(2) If in a particular case there is a conflict in the application of the provisions of subsection (1), in relation to that case the CAA must exercise its air navigation functions in the manner it thinks is reasonable having regard to the provisions of subsection (1) as a whole.

(3) Section 4 of the Civil Aviation Act 1982 (CAA's general objectives) does not apply in relation to the performance by the CAA of its air navigation functions.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 25

INTERPRETATION

'.—(1) This section applies for the purposes of this Chapter.

(2) The CAA's air navigation functions are the functions which the CAA is to perform in pursuance of directions under section 64(1).

(3) These are managed areas—

(a) the United Kingdom;

(b) any area which is outside the United Kingdom but in respect of which the United Kingdom has undertaken under international arrangements to provide air traffic services.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

Clause 1

SECRETARY OF STATE'S GENERAL DUTY

Amendments made: No. 12, in page 1, line 24, after "the" insert "range,".

No. 13, in page 1, line 25, at end insert—

'(2A) The reference in subsection (1)(a) to furthering interests includes a reference to furthering them (where the Secretary of State thinks it appropriate) by promoting competition in the provision of air traffic services.'.

No. 14, in page 1, line 27, leave out "and (2)" and insert "to (2A)".

No. 15, in page 2, line 1, leave out "and (2)" and insert "to (2A)".—*[Mr. Robert Ainsworth.]*

Clause 2

CAA'S GENERAL DUTY

Amendments made: No. 16, in page 2, line 25, after "the" insert "range,".

No. 17, in page 2, line 26, at end insert—

'(2A) The reference in subsection (1)(a) to furthering interests includes a reference to furthering them (where the CAA thinks it appropriate) by promoting competition in the provision of air traffic services.'.

No. 18, in page 2, line 28, leave out "and (2)" and insert "to (2A)".

No. 19, in page 2, line 30, leave out "and (2)" and insert "to (2A)".—*[Mr. Robert Ainsworth.]*

Clause 3

RESTRICTIONS ON PROVIDING SERVICES

Amendment made: No. 374, in page 3, line 5, at end insert—

'( ) Subsection (1) does not apply if the services are provided by the CAA in pursuance of directions under section 64(1).'.—*[Mr. Robert Ainsworth.]*

Clause 6

LICENCES: GRANT

Amendments made: No. 73, in page 4, line 29, after "granting" insert "or refusing".

No. 74, in page 4, line 32, leave out ", and" and insert "or refusal,

(aa) serve a copy of the notice on the applicant, and'.

No. 75, in page 4, line 36, leave out—

'that the licence authority proposes to grant the licence and'

and insert—

'either that the licence authority proposes to grant the licence or that it proposes to refuse it and (in either case)'.

No. 76, in page 4, line 40, leave out "licence" and insert "grant or refusal".

No. 77, in page 5, line 2, leave out—

'to applications and grants relating'

and insert "in relation".—*[Mr. Robert Ainsworth.]*

Clause 8

DUTIES OF LICENCE HOLDERS

Amendment made: No. 373, in page 6, line 5, at end insert—

'(4) For the purposes of subsection (1)(a) a system for the provision of services is safe if (and only if) in providing the services the person who provides them complies with such requirements as are imposed by Air Navigation Orders with regard to their provision.

(5) An Air Navigation Order is an Order in Council under section 60 of the Civil Aviation Act 1982.'.—*[Mr. Robert Ainsworth.]*

Clause 9

BREACH OF DUTIES OR CONDITIONS

Amendment made: No. 30, in page 6, line 13, leave out "15 or".—*[Mr. Robert Ainsworth.]*

Clause 11

REFERENCES TO COMPETITION COMMISSION

Amendments made: No. 29, in page 6, line 41, leave out—

'under the authority of a licence'

and insert—

'by or on behalf of a licence holder'.

No. 20, in page 7, line 45, after "under" insert—

'Parts IV, V, VI and VIII of'.

No. 21, in page 8, line 5, leave out "and 85" and insert ", 85 and 93B".

No. 22, in page 8, line 5, leave out second "and".

No. 23, in page 8, line 6, at end insert—

'; and false or misleading information);'.—*[Mr. Robert Ainsworth.]*

Clause 13

MODIFICATION FOLLOWING REPORT

Amendments made: No. 336, in page 9, line 11, leave out "make" and insert "suggest".

No. 337, in page 9, line 14, leave out "making" and insert "suggesting".

No. 338, in page 9, line 23, leave out "make" and insert "suggest".

No. 339, in page 9, line 27, leave out "proposed modifications" and insert "proposals".

No. 340, in page 9, line 28, leave out subsection (5) and insert—

'(5) If the CAA suggests modifications under this section it must—

(a) give notice to the Commission setting out the modifications it suggests and the reasons for its suggestions, and

(b) send to the Commission copies of any representations made in accordance with the notice published under subsection (3) (and not withdrawn).'.—*[Mr. Robert Ainsworth.]*

Clause 14

MODIFICATION BY ORDER UNDER OTHER ENACTMENTS

Amendments made: No. 24, in page 9, line 39, leave out—

'whose provision is authorised by a licence'.

No. 25, in page 9, line 44, leave out—

'under the authority of a licence'.

No. 26, in page 10, leave out line 4.—*[Mr. Robert Ainsworth.]*

Clause 15

ORDERS FOR SECURING COMPLIANCE

Amendment made: No. 31, in page 10, line 16, leave out Clause 15.—*[Mr. Robert Ainsworth.]*

Clause 16

PROCEDURAL REQUIREMENTS

Amendment made: No. 32, in page 11, line 24, leave out Clause 16.—*[Mr. Robert Ainsworth.]*

Clause 17

VALIDITY OF ORDERS

Amendment made: No. 33, in page 12, line 41, leave out Clause 17.—*[Mr. Robert Ainsworth.]*

Clause 18

EFFECT OF ORDERS

Amendment made: No. 34, in page 13, line 18, leave out Clause 18.—*[Mr. Robert Ainsworth.]*

Clause 19

POWER TO OBTAIN INFORMATION

Amendment made: No. 35, in page 13, line 34, leave out Clause 19.—*[Mr. Robert Ainsworth.]*

Clause 20

ENFORCEMENT BY CAA

Amendment made: No. 36, in page 14, line 37, leave out Clause 20.—*[Mr. Robert Ainsworth.]*

Clause 21

ORDERS FOR SECURING COMPLIANCE

Amendments made: No. 37, in page 15, line 3, after first "a" insert—

'section 8 duty or a'.

No. 38, in page 15, line 4, after "provision" insert "it thinks is".

No. 39, in page 15, line 4, after "the" insert "duty or".

No. 40, in page 15, line 6, after first "a" insert—

'section 8 duty or a'.

No. 41, in page 15, line 8, after "the" insert "duty or".

No. 42, in page 15, line 13, after "the" insert "section 8 duty or".

No. 43, in page 15, line 14, after second "a" insert "section 8 duty or".

No. 44, in page 15, line 16, leave out "negligence" and insert—

'an act or omission which takes place in the course of the provision of air traffic services'.

No. 45, in page 15, line 37, after "a" insert—

'section 8 duty or a'.

No. 46, in page 15, line 39, after "the" insert "duty or".

No. 47, in page 15, line 40, leave out from beginning to end of line 4 on page 16.

No. 48, in page 16, line 5, after "holder" insert "—

(a) a section 8 duty is a duty imposed on the holder by section 8;

(b)".

No. 49, in page 16, line 7, leave out "22" and insert—

'(*Exceptions*)'.

No. 50, in page 16, line 7, after second "to" insert—

'a section 8 duty or to'.

No. 51, in page 16, line 8, at end insert—

'(13) This section has effect subject to section (*Exceptions*)'.—*[Mr. Robert Ainsworth.]*

Clause 22

PROCEDURAL REQUIREMENTS

Amendments made: No. 52, in page 16, line 21, after first "the" insert "section 8 duty or".

No. 53, in page 16, line 23, after "the" insert "duty or".

No. 54, in page 16, line 40, at end insert—

'(4A) But if the modifications are trivial the CAA must be treated as complying with subsection (4) if it serves on the licence holder a notice of the proposal to make or confirm the order with modifications.'.

No. 55, in page 16, line 43, after "holder" insert—

'and a copy on the Secretary of State'.

No. 56, in page 17, line 20, leave out "21(10)" and insert—

'(*Exceptions*) (1)'.

No. 57, in page 17, line 21, after "serve" insert "a".

No. 58, in page 17, line 24, at end insert—

'(10) If the CAA is satisfied as mentioned in section (*Exceptions*)(2) and it does not believe it is appropriate to make a final order or make or confirm a provisional order, it must—

(a) serve a notice to that effect on the licence holder, and

(b) publish the notice in such manner as it thinks appropriate for bringing the matters to which the notice relates to the attention of persons likely to be affected by them.'.—*[Mr. Robert Ainsworth.]*

Clause 23

VALIDITY OF ORDERS

Amendments made: No. 59, in page 17, line 29, leave out "section 21" and insert—

'sections 21 and (*Exceptions*)'.

No. 60, in page 17, line 39, leave out "section 21" and insert—

'sections 21 and (*Exceptions*)'.—*[Mr. Robert Ainsworth.]*

Clause 25

POWER TO OBTAIN INFORMATION

Amendments made: No. 61, in page 18, line 18, at end insert—

'section 8 duty or a'.

No. 62, in page 18, line 21, leave out "section 21" and insert—

'sections 21 and (*Exceptions*)'.—*[Mr. Robert Ainsworth.]*

Clause 27

DUTY TO MAKE ORDER

Amendments made: No. 1, in page 20, line 1, at end insert—

'or appoint a provisional liquidator.'.

No. 2, in page 20, line 4, at end insert—

'(4A) The Secretary of State and the CAA may propose a person to manage the company's affairs, business and property while an air traffic administration order is in force; and if they do the court must appoint that person.'.—*[Mr. Robert Ainsworth.]*

Clause 28

POWER TO MAKE ORDER

Amendments made: No. 63, in page 20, line 11, leave out "five" and insert "four".

No. 64, in page 20, line 25, leave out "16(9)" and insert " 22(9) or (10)".

No. 65, in page 20, line 32, at end insert "or a licence condition".

No. 66, in page 20, line 33, leave out "17" and insert "23".

No. 67, in page 20, line 37, leave out from beginning to end of line 43.

No. 68, in page 21, line 1, after "duty" insert—

'or to a licence condition'.

No. 69, in page 21, line 2, leave out "15" and insert "21".

No. 70, in page 21, line 3, leave out from beginning to end of line 4.—*[Mr. Robert Ainsworth.]*

Clause 30

PETITIONS AND ORDERS: SUPPLEMENTARY

Amendment made: No. 368, in page 21, line 40, at end insert—

'(ba) in subsection (1)(c) after "its property" there were inserted ", and no right of re-entry or forfeiture may be enforced against the company in respect of any land,";'.—*[Mr. Robert Ainsworth.]*

Clause 35

REGISTER

Amendments made: No. 71, in page 23, line 30, leave out from beginning to end of line 32.

No. 72, in page 23, line 35, at end insert "or (10)".—*[Mr. Robert Ainsworth.]*

Clause 38

DIRECTIONS IN INTERESTS OF NATIONAL SECURITY ETC.

Amendments made: No. 125, in page 24, line 34, after "81" insert—

'or of an order under section (*Orders for possession of aerodromes, etc.*)'.

No. 126, in page 24, line 36, after "81" insert—

'or an order under section (*Orders for possession of aerodromes, etc.*)'.—*[Mr. Robert Ainsworth.]*

Clause 39

INTERPRETATION

Amendments made: No. 78, in page 25, line 30, at end insert—

'(h) modification.'.

No. 79, in page 25, line 44, at end insert—

'(7) "Modification" includes addition, alteration and omission, and cognate expressions are to be construed accordingly.'.—*[Mr. Robert Ainsworth.]*

Clause 40

MEANING OF TRANSFER SCHEMES

Amendments made: No. 89, in page 26, line 5, leave out from "which" to end of line 8 and insert—

'contains provisions falling within one or more of subsections (2) to (3E).'.

No. 90, in page 26, line 22, at end insert—

'(ba) a company which is wholly owned by the Crown;

(bb) a company which is wholly owned by the CAA;'.

No. 91, in page 26, line 23, leave out from "of" to end of line 24 and insert—

'a company falling within paragraph (ba) or (bb).'.

No. 92, in page 26, line 24, at end insert—

'(3A) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) which is a wholly owned subsidiary of a company wholly owned by the CAA, or of all or part of the transferor's undertaking, to any of the following—

(a) the CAA;

(b) a company which is wholly owned by the Crown;

(c) a company which is wholly owned by the CAA;

(d) a company which is a wholly owned subsidiary of a company falling within paragraph (b) or (c).

(3B) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) which is wholly owned by the Crown but which was wholly owned by the CAA on the coming into force of this section, or of all or part of the transferor's undertaking, to any of the following—

(a) a company which is wholly owned by the Crown;

(b) a company which is a wholly owned subsidiary of the transferor.

(3C) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) which is wholly owned by the Crown, or of all or part of the transferor's undertaking, to the CAA.

(3D) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) in circumstances where the transferor is a wholly owned subsidiary of a company (the holding company) wholly owned by

the Crown and the holding company was wholly owned by the CAA on the coming into force of this section, or of all or part of the transferor's undertaking, to any of the following—

(a) a company which is wholly owned by the Crown;

(b) a company which is a wholly owned subsidiary of a company falling within paragraph (a).

(3E) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) which is a wholly owned subsidiary of a company wholly owned by the Crown, or of all or part of the transferor's undertaking, to the CAA.'.

No. 93, in page 26, line 29, after "a" insert "transfer".—*[Mr. Robert Ainsworth.]*

Ordered,

That clause No. 40, as amended, be divided into two Clauses, the first consisting of subsections (1) to (4) [*Meaning of transfer scheme*] and the second of subsections (5) to (9) [*Transfer schemes: supplementary*].—*[Mr. Robert Ainsworth.]*

Clause 42

EFFECT OF SCHEME MADE BY CAA

Amendment made: No. 10, in page 28, line 3, at end insert—

'(8) In this section "modify" includes add to, omit from and otherwise alter.'.—*[Mr. Robert Ainsworth.]*

Clause 45

ACCOUNTING PROVISIONS

Amendments made: No. 94, in page 29, line 25, leave out from "scheme" to end of line 34 and insert "—

(a) from the CAA to a company,

(b) from a company to the CAA, or

(c) from a company to a company.'.

No. 96, in page 30, line 7, at end insert—

'(5A) If no value or amount appeared as mentioned in subsection (4) in the case of an asset or liability, the value or amount which may be stated by virtue of subsection (3) is the value or amount which the maker of the transfer scheme considers appropriate.'.

No. 97, in page 30, line 8, leave out—

'from time to time in any reserves'

and insert "in the opening accounts".

No. 98, in page 30, line 14, leave out "from time to time".

No. 99, in page 30, line 15, leave out "and any subsequent accounts".—*[Mr. Robert Ainsworth.]*

Clause 46

ACCOUNTING PROVISIONS: INTERPRETATION

Amendment made: No. 95, in page 30, line 35, leave out—

'wholly owned by the CAA'.—*[Mr. Robert Ainsworth.]*

Clause 47

ISSUE OF SECURITIES

Amendments made: No. 86, in page 31, line 4, after "is" insert—

'a company falling within subsection (2B).

(2) The Secretary of State may give a direction under this section to the transferee if when the direction is given it is a company falling within subsection (2B).

(2A) A direction under this section is one requiring the transferee—

(a) to issue to the appropriate person such securities of the transferee as are specified in the direction,

(b) to do so at a time or times (specified in the direction) when it is a company falling within subsection (2B), and

(c) to do so on such terms as are specified in the direction.

(2B) A company falls within this subsection if it is'.

No. 81, in page 31, line 9, leave out subsection (2).

No. 82, in page 31, line 21, leave out subsection (4).—*[Mr. Robert Ainsworth.]*

Clause 48

GOVERNMENT INVESTMENT IN SECURITIES

Amendments made: No. 27, in page 31, line 39, leave out from "may" to end of line 41 and insert "—

(a) acquire securities of the transferee by subscription or purchase;

(b) acquire options to acquire or dispose of securities of the transferee.'.

No. 28, in page 31, line 42, leave out "rights" and insert "options".—*[Mr. Robert Ainsworth.]*

Clause 49

CROWN SHAREHOLDING

Amendments made: No. 454, in page 32, line 9, at end insert—

'(2A) The Secretary of State must ensure that the Crown does not dispose of any of the shares it holds in the designated company unless he is satisfied that a scheme is in place to ensure the completion of any project which—

(a) concerns the development of major facilities connected with air traffic services, and

(b) was commissioned before the coming into force of this section by the CAA or a company wholly owned by the CAA.'.

No. 455, in page 32, line 33, after "subsection", insert "(2A),".

No. 456, in page 32, line 35, after "subsection", insert "(2A),".—*[Mr. Robert Ainsworth.]*

Clause 51

GUARANTEES

Amendment made: No. 100, in page 33, line 40, leave out subsection (4) and insert—

'(4) In the case of a financial obligation incurred before the giving of a guarantee, it is immaterial when the obligation was incurred.'.—*[Mr. Robert Ainsworth.]*

Clause 54

SHADOW DIRECTORS

Amendments made: No. 101, in page 35, line 30, leave out from "company" to "and" in line 31 and insert "falling within subsection (1A),".

No. 102, in page 35, line 33, at end insert—

'(1A) A company falls within this subsection if it is—

(a) a company which is wholly owned by the Crown,

(b) a company which is wholly owned by the CAA, or

(c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).'.

No. 103, in page 35, line 35, after "be" insert—

', or becomes and continues to be,'.—*[Mr. Robert Ainsworth.]*

Clause 56

SECURITIES TO BE ISSUED

Amendment made: No. 83, in page 38, line 7, leave out "or allotted".—*[Mr. Robert Ainsworth.]*

Clause 57

SECURITIES: OTHER PROVISIONS

Amendments made: No. 84, in page 38, line 16, after "section" insert "47 or".

No. 85, in page 38, line 24, after "section" insert "47 or".—*[Mr. Robert Ainsworth.]*

Clause 64

AIR NAVIGATION: DIRECTIONS

Amendments made: No. 375, in page 41, leave out line 43 and insert "a managed area.".

No. 376, in page 42, line 1, leave out subsection (2).

No. 377, in page 42, line 3, at end insert—

'(2A) No action is to lie in respect of a failure by the CAA to perform a duty imposed on it by a direction under subsection (1); but that does not affect a right of action in respect of an act or omission which takes place in the course of performing the CAA's air navigation functions.'.

No. 378, in page 42, line 32, leave out subsection (8).—*[Mr. Robert Ainsworth.]*

Clause 65

DIRECTIONS: SUPPLEMENTARY

Amendments made: No. 379, in page 42, line 35, after "(6)" insert—

'or section (*Directions: further provision*)(3)'.

No. 127, in page 42, line 36, after "81" insert—

'or of an order under section (*Orders for possession of aerodromes, etc.*)'.

No. 380, in page 42, line 37, after "(6)" insert—

'or section (*Directions: further provision*)(3)'.

No. 128, in page 42, line 38, after "81" insert—

'or an order under section (*Orders for possession of aerodromes, etc.*)'.

No. 381, in page 43, line 1, after "64(6)" insert—

'or section (*Directions: further provision*)(3)'.—*[Mr. Robert Ainsworth.]*

Clause 66

CHARGES FOR SERVICES

Amendments made: No. 341, in page 43, line 12, after first "of" insert—

', or methods of calculating, the'.

No. 342, in page 43, line 15, after "aircraft" insert—

'(or descriptions of such operators and owners)'.

No. 343, in page 43, line 16, after "persons" insert "(or descriptions of persons)".

No. 344, in page 43, line 18, leave out "When it makes" and insert "On or after making".

No. 345, in page 43, line 18, leave out "also".

No. 346, in page 43, line 29, after "amounts" insert—

', or calculated in accordance with the specified methods,'.

No. 347, in page 43, line 42, at end insert—

'(10) The CAA must exercise its powers under this section in the manner it thinks best calculated to take account of international agreements to which the United Kingdom is a party.'.—*[Mr. Robert Ainsworth.]*

Clause 67

PUBLICATION, COMMENCEMENT, AMENDMENT AND REVOCATION

Amendments made: No. 348, in page 44, line 1, leave out "(or specifications and stipulations)" and insert "or stipulations".

No. 349, in page 44, line 10, leave out from beginning to "does" in line 11 and insert "An amendment or revocation".—*[Mr. Robert Ainsworth.]*

Clause 68

SPECIFICATIONS: SUPPLEMENTARY

Amendments made: No. 350, in page 44, line 20, after "amounts" insert "or methods".

No. 351, in page 44, line 21, after "amounts" insert "or methods".

No. 352, in page 44, line 23, after "amounts" insert "or methods".

No. 353, in page 44, line 25, after "amounts" insert "or methods".

No. 354, in page 44, line 35, at end insert—

'( ) Methods may be expressed by reference to such factors (including exchange rates between currencies) as the CAA thinks fit.

( ) A description of services may be expressed by reference to such factors (including the area in respect of which they are provided) as the CAA thinks fit.

( ) A description of operators and owners may be so general as to refer to all operators and owners.'.

No. 355, in page 44, line 36, leave out from beginning to second "are" in line 37 and insert—

'Owners and operators may be specified (or of a description specified) if the services concerned are available for the aircraft concerned, and it is immaterial whether or not the services'.—*[Mr. Robert Ainsworth.]*

Clause 70

CHARGEABLE AIR TRAFFIC SERVICES

Amendments made: No. 356, in page 45, line 16, after "are" insert "air traffic services which—

(a) fall within subsection (1A), and

(b) are not excepted air traffic services (as defined in subsection (1B)).

(1A) These air traffic services fall within this subsection–'.

No. 357, in page 45, line 27, at end insert—

'(1B) These are excepted air traffic services—

(a) air traffic services provided by the owner or manager of an aerodrome or by his employee;

(b) air traffic services provided on behalf of the owner or manager of an aerodrome (other than a designated aerodrome) in circumstances where the person providing the services is not an employee of the owner or manager and they are provided under a contract or other arrangement made by the owner or manager and the person providing them.

(1C) A designated aerodrome is an aerodrome designated by the Secretary of State by order for the purposes of subsection (1B)(b).'.—*[Mr. Robert Ainsworth.]*

Clause 71

RECORDS

Amendments made: No. 358, in page 45, line 38, leave out "officers" and insert "persons".

No. 359, in page 45, line 41, leave out "officers" and insert "persons".

No. 360, in page 46, line 1, leave out "officers" and insert "persons".

No. 361, in page 46, line 14, leave out subsection (6).

No. 362, in page 46, line 27, at end insert—

'( ) In subsection (4)—

(a) a reference to officers of the CAA includes a reference to persons authorised to act as such officers;

(b) a reference to officers of Eurocontrol includes a reference to persons authorised to act as such officers.'.—*[Mr. Robert Ainsworth.]*

Clause 73

DETENTION AND SALE

Amendments made: No. 363, in page 47, line 21, leave out—

'of which he is the operator when detention begins'

and insert "falling within subsection (1A)".

No. 364, in page 47, line 29, at end insert—

'(1A) These aircraft fall within this subsection—

(a) the aircraft in respect of which the charge was incurred (whether or not the person who is the operator of the aircraft when detention begins is the defaulter);

(b) any aircraft of which the defaulter is the operator when detention begins.'.—*[Mr. Robert Ainsworth.]*

Clause 74

INTERPRETATION

Amendments made: No. 365, in page 48, line 4, leave out—

'For the purposes of this Chapter'

and insert—

'(1) This section applies for the purposes of this Chapter.

(2)'.

No. 366, in page 48, line 5, at end insert—

'(3) An aerodrome is an aerodrome as defined in section 105(1) of the Civil Aviation Act 1982; and a manager of an aerodrome is a person who is in charge of it or holds a licence granted in respect of it by virtue of section 60 of that Act (Chicago Convention, regulation of air navigation etc).'.—*[Mr. Robert Ainsworth.]*

Clause 75

INTERPRETATION

Amendment made: No. 287, in page 48, line 11, at end insert—

'(1A) For the purposes of this Chapter these expressions have the meanings given by section 39—

(a) aerodrome;

(b) licence;

(c) licence holder.'.—*[Mr. Robert Ainsworth.]*

Clause 81

CONTROL IN TIME OF HOSTILITIES ETC.

Amendments made: No. 134, in page 51, line 2, leave out "business" and insert "undertaking".

No. 129, in page 51, leave out lines 27 and 28 and insert—

'(5) In so far as a direction under this section conflicts with the requirements of an order under section (*Orders for possession of aerodromes, etc.*), the direction is to be disregarded.

(5A) In so far as a direction under this section conflicts—

(a) with the requirements of an enactment or instrument other than an order under section (*Orders for possession of aerodromes, etc.*), or

(b) with any duty which arises otherwise than under an enactment or instrument,

the requirements are or the duty is to be disregarded.'.

No. 135, in page 51, leave out lines 36 to 41.—*[Mr. Robert Ainsworth.]*

Clause 82

SECTION 81: INTERPRETATION

Amendments made: No. 136, in page 52, line 11, leave out "section 81" and insert—

'sections 81 and (*Orders for possession of aerodromes, etc.*)'.

No. 137, in page 52, line 16, leave out "business" and insert "undertaking".

No. 138, in page 52, line 26, leave out "business is a business" and insert "undertaking is an undertaking".—*[Mr. Robert Ainsworth.]*

Clause 89

ORDERS AND REGULATIONS

Amendments made: No. 87, in page 54, line 36, leave out "Secretary of State" and insert "person exercising the power".

No. 139, in page 54, line 38, leave out from "instrument" to end of line 39.

No. 88, in page 54, line 39, at end insert—

'(3A) In subsections (1) and (3) references to a power to make an order are to a power of the Secretary of State; and in subsection (2) the reference to an order is to an order made by the Secretary of State.'.

No. 140, in page 54, line 39, at end insert—

'( ) A statutory instrument is subject to annulment in pursuance of a resolution of either House of Parliament if the instrument contains an order or regulations made by the Secretary of State under any provision of this Part other than section 49 or (*Orders for possession of aerodromes, etc.*).'.

No. 141, in page 54, line 40, leave out from beginning to "unless" in line 41 and insert—

'No order is to be made under section 49'.

No. 367, in page 55, line 10, leave out "70" and insert "70(2)".

No. 104, in page 55, line 11, at end insert—

'(10) If apart from this subsection a draft of an order under section 49 would be treated for the purposes of the standing orders of either House of Parliament as a hybrid instrument, it is to proceed in that House as if it were not such an instrument.'.—*[Mr. Robert Ainsworth.]*

Clause 91

EXTENSION OUTSIDE UNITED KINGDOM

Amendments made: No. 142, in page 55, leave out lines 27 to 37.

No. 11, in page 55, line 41, at end insert—

'(6) In this section "modifications" includes additions, omissions and other alterations.'.—*[Mr. Robert Ainsworth.]*

Schedule 1

AIR TRAFFIC ADMINISTRATION ORDERS: GENERAL

Amendments made: No. 369, in page 140, line 22, leave out "and".

No. 370, in page 140, line 24, at end insert—

', and

(c) subsection (3)(d) has effect as if after "its property" there were inserted ", and no right of re-entry or forfeiture may be enforced against the company in respect of any land,".'.—*[Mr. Robert Ainsworth.]*

Schedule 2

AIR TRAFFIC ADMINISTRATION ORDERS: SCHEMES

Amendments made: No. 3, in page 144, line 38, leave out "or" and insert "after consulting".

No. 4, in page 144, line 40, leave out—

'or the CAA for approval the Secretary of State or the CAA'

and insert "for approval he".

No. 5, in page 145, line 30, leave out "and the CAA".

No. 6, in page 145, line 33, leave out—

'or, as the case may be, the CAA'.

No. 7, in page 145, line 34, leave out "and the CAA".

No. 8, in page 148, line 21, leave out "or the CAA".

No. 9, in page 148, line 22, leave out "or the CAA".—*[Mr. Robert Ainsworth.]*

Schedule 3

AIR TRAFFIC ADMINISTRATION ORDERS: NORTHERN IRELAND

Amendments made: No. 371, in page 150, line 6, leave out "and".

No. 372, in page 150, line 8, at end insert—

', and

(c) paragraph (3)(d) has effect as if after "its property" there were inserted ", and no right of re-entry or forfeiture may be enforced against the company in respect of any land,".'.—*[Mr. Robert Ainsworth.]*

Schedule 6

TRANSFER SCHEMES

Amendments made: No. 105, in page 162, line 12, at end insert—

'; and each appropriate part must be taken to have been transferred to a transferee or retained by the transferor.'.

No. 124, in page 163, line 45, at end insert—

'(5) Sub-paragraph (6) applies if at the time a transfer scheme comes into force a transferor or transferee under the scheme is—

(a) a company which is wholly owned by the Crown;

(b) a company which is wholly owned by the CAA;

(c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).

(6) Paragraphs 9 and 10 cease to apply in relation to the scheme concerned at the time when the transferor or any one of the transferees under the scheme ceases to be a company which falls within any of paragraphs (a) to (c) of sub-paragraph (5).'.

No. 106, in page 168, line 1, leave out from "scheme" to end of line 4 and insert—

'any provision of an agreement to which the transferor was not a party, any statutory provision or any provisions of a document (other than an agreement) related to the property, rights or liabilities transferred to the transferee.'.

No. 107, in page 168, line 39, at end insert—

'(2A) From the coming into force of the scheme any person (other than the transferee) is to have the same rights, powers and remedies for ascertaining, perfecting or enforcing a right or liability transferred to the transferee under the scheme as he would have had if the right or liability had at all times been a right or liability of the transferee.'.

No. 108, in page 168, line 40, leave out "the transferee" and insert—

'which the transferee or any other person'.

No. 109, in page 169, line 10, leave out "by or against" and insert "against or by".

No. 110, in page 169, line 11, leave out "by or against" and insert "against or by".

No. 111, in page 171, line 11, after "person" insert "falling within sub-paragraph (3)".

No. 112, in page 171, line 13, leave out "a person or" and insert "another person or other".

No. 113, in page 171, line 24, at end insert—

'25.—(1) Paragraphs 12 to 18 and 20 to 24 have effect as if references to a transfer scheme or schemes included references to—

(a) an agreement or agreements under paragraph 9 or 11;

(b) an agreement or agreements treated as made under paragraph 10.

(2) Where paragraph 14 has effect by virtue of sub-paragraph (1), the reference in paragraph 14(2)(b) to an agreement under paragraph 11 has effect as if it were a reference to a subsequent agreement under paragraph 11.

(3) Paragraph 19 has effect in relation to an agreement under paragraph 11 as it has effect in relation to an agreement made under paragraph 5 or 9.

(4) Where paragraphs 12 to 24 have effect in relation to—

(a) an agreement under paragraph 9 or 11, or

(b) an agreement treated as made under paragraph 10,

references to a transferor or a transferee have effect as references to a transferor or a transferee under the agreement.'.—*[Mr. Robert Ainsworth.]*

Schedule 7

TRANSFER SCHEMES: TAX

Amendments made: No. 114, in page 173, line 20, at end insert—

'(1A) This paragraph is not to prejudice paragraph 2.'.

No. 115, in page 173, line 42, leave out "and".

No. 116, in page 173, line 44, leave out—

'and at the time of acquisition'

and insert ", and

(c) the companies were associated companies at the time of acquisition.'.

No. 117, in page 174, line 18, leave out "and".

No. 118, in page 174, line 20, leave out—

'and at the time of acquisition'

and insert ", and

(c) the companies were associated companies at the time of acquisition.'.

No. 119, in page 174, line 49, leave out "and".

No. 120, in page 175, line 2, leave out—

'and at the time of acquisition'

and insert ", and

(c) the companies were associated companies at the time of acquisition.'.

No. 121, in page 178, line 22, at end insert—

'*Agreements*

20.—(1) Sub-paragraph (2) applies if the effect of—

(a) an agreement made under paragraph 9 or 11 of Schedule 6, or

(b) an agreement treated as made under paragraph 10 of Schedule 6,

is to modify the effect of a transfer scheme.

(2) This Schedule, the 1988 Act, the 1990 Act and the 1992 Act are to have effect as if—

(a) the scheme had been made as modified, and

(b) anything done by or in relation to the preceding holder had (so far as relating to the property, rights or liabilities affected by the modification) been done by or in relation to the subsequent holder.

(3) Sub-paragraph (4) applies to a disposal of an asset if the disposal—

(a) is effected in pursuance of an agreement made or treated as made under paragraph 9 or 10 of Schedule 6, and

(b) is the grant of a lease of land or the creation of other rights and liabilities over land.

(4) For the purposes of the 1992 Act the disposal is to be taken (in relation to the person to whom it is made as well as the person making it) to be for a consideration such that no gain or loss accrues to the person making it.

(5) Section 171(1) of the 1992 Act (provision in relation to disposal of assets from one member of a group of companies to another member of the group) does not apply if sub–paragraph (4) applies to the disposal in question.

(6) References in this paragraph to an agreement include references to the agreement as varied in accordance with a direction under paragraph 19(4) of Schedule 6.

(7) For the purposes of sub-paragraph (2) the preceding holder is the person who without the modification—

(a) became (under the transfer scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification, or

(b) remained (despite the transfer scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification,

as the case may be.

(8) For the purposes of sub-paragraph (2) the subsequent holder is the person who (in consequence of the modification) becomes, or resumes being, entitled or subject to the property, rights or liabilities affected by the modification.'.—*[Mr. Robert Ainsworth.]*

Schedule 8

AMENDMENTS ABOUT AIR TRAFFIC

Amendments made: No. 130, in page 181, line 17, after "2000" insert—

'or of an order under section (*Orders for possession of aerodromes, etc.*) of that Act'.

No. 131, in page 181, line 21, after "2000" insert—

'or an order under section (*Orders for possession of aerodromes, etc.*) of that Act'.

No. 132, in page 181, line 30, after "2000" insert—

'or of an order under section (*Orders for possession of aerodromes, etc.*)'.

No. 133, in page 181, line 32, after "2000" insert—

'or an order under section (*Orders for possession of aerodromes, etc.*) of that Act'.—*[Mr. Robert Ainsworth.]*

New Clause 6

AIR QUALITY

'.—Where a local authority declares an air quality management area in accordance with section 83(1) of the Environment Act 1995, it may apply to the Secretary of State to direct the Highways Agency to take such measures as the authority has calculated to be effective in reducing air pollution, from specified roads administered by the Agency, in order to meet national air quality objectives within its area.'.—*[Mr. Don Foster.]*

Brought up, and read the First time.

Mr. Don Foster: I beg to move, That the clause be read a Second time.

After the excitement of discussing the future of National Air Traffic Services and then the future of national security, we come to the important issue of air quality. All hon. Members will be aware of the concern in many quarters about the quality of our air. Some estimates, not least from the British Medical Association, tell us that as many as 24,000 people die unnecessarily each year because of air pollution caused predominantly by the exhaust fumes from vehicles on our roads.

Air quality and its improvement are of considerable importance in the effort not only to reduce the number of lives lost but to improve the quality of life for those millions of people who suffer from asthma, which is again associated very directly with fumes from vehicle exhausts.

In Committee, we were delighted that some positive announcements were made by the Government, not least by the Under-Secretary of State for the Environment, Transport and the Regions, the hon. Member for Streatham (Mr. Hill)—or "St. Reatham", as we came to know him. However, I was disappointed that he did not accept some of our amendments in respect of low emission zones or vehicle emission testing.

New clause 6 is another attempt to persuade the Government to move a little further. It would give local authorities a more direct way of getting the compliance of

the Highways Agency in measures to reduce air pollution. It would allow a local authority to apply to the Secretary of State to direct the Highways Agency to take any measures that the local authority considered to be effective in reducing air pollution from roads in its area that were administered by the Highways Agency.

In Committee, the Minister was quite positive about the broad principle of improving air quality, but there are a number of matters on which we seek further commitments. I have three questions of which I have given the Minister some advance notice, so I hope that he will respond positively.

The first relates specifically to the work that local authorities have to do in developing their local transport plans. Hon. Members will be aware that the plans have to be completed by the end of June. However, when local authorities draw up their plans they do not know whether the Government will require them to declare air quality management areas. As the Minister knows only too well, the deadline for those is not until October. If the Government subsequently require local authorities to introduce air quality management areas that might include a low emissions zone or roadside emission testing procedures, can the Minister confirm that the enforcement activities that will be required will be considered to be consistent with the aims of the local transport plan that will have to have been produced within the next few days?

Secondly, the Minister agreed that there would be some merit in extending the powers of traffic wardens so that they would have the ability to stop vehicles and require them to have their emissions tested. The Minister thought that that was a good idea in principle, but said that he did not want to agree to it without further consultation, particularly with the Motorists Forum. The Minister will be aware that that consultation has now been completed and that the forum has sent him a detailed report, so I hope that he can tell us when he expects to make a decision on whether to extend the powers of traffic wardens. In that regard, how will local authorities be expected to pay for emissions testing?

In Committee, the Minister helpfully agreed to extend the possible uses of moneys raised by congestion charging or workplace parking charging to offset some of the costs of emissions testing. However, some local authorities may choose not to use the powers in the Bill to introduce such charging. What assistance will the Government give to local authorities that wish to introduce more stringent emissions testing, but not the additional powers?

10.15 pm

On a number of occasions in Committee, Labour Members raised the point that when a local authority is required to develop strategies to reduce air pollution in its area, some of the measures that it would like to take are outside its control, not least because there is clear evidence that many emissions are likely to come from roads that are outside the local authority's control, especially trunk roads and motorways. If a local authority is required to reduce air pollution in its area, and yet has no control over the activities that take place on trunk roads or motorways, it is powerless to achieve the very objectives that the Government are rightly setting it.

What can the local authority do about that? The obvious step is to work in conjunction with the Highways Agency, which is in a position to do something. The agency has said that it is anxious to work with local authorities in developing local transport plans and other strategies to reduce pollution and congestion. One would think that everything in the garden was rosy, and that the local authority could say to the Highways Agency, "We have a lot of problems with pollution from your roads. Will you do something about it?" One would hope that the answer would always be yes. The sad truth is that that is not always the case.

I know that the Minister is very well briefed on the problem in Sheffield. The local authority wanted to reduce pollution in the Tinsley area of Sheffield, but the main concern was pollution from the M1. Sheffield council asked the Highways Agency for help in reducing the speed limit on that section of the motorway. The evidence is that such a move would reduce pollution and, as a by-product, reduce congestion. As the Minister knows, despite all the evidence of speed limit reductions on the M21 reducing congestion and pollution, the Highways Agency was unwilling to accede to Sheffield council's request.

The new clause would ensure that the local authority could at least say to the Secretary of State, "If you agree with our proposals, will you make it a requirement on the Highways Agency to enact them?" In that way, we would have joined-up thinking between local government, central Government and the Highways Agency. They would all work together with the aim of reducing congestion and air pollution.

The Government, and in particular the Minister, have given helpful indications of their intention to take this further. However, it is about time that the Government showed a real commitment to the issue by including in the Bill measures that would make this proposal a reality, rather than promising that that will happen at some time in the future.

I hope that the Government are prepared to accept the new clause.

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Keith Hill): I would like to make a few general observations about the new clause, moved so eloquently by the hon. Member for Bath (Mr. Foster), before dealing with his specific questions.

The new clause would allow the Secretary of State to direct the Highways Agency—which I shall refer to as the HA—to take specific measures, such as reducing speed limits on trunk roads and motorways, with the aim of reducing air pollution within air quality management areas—which I shall refer to as AQMAs. Those are areas identified by the local authority where the air quality objectives, as prescribed in the air quality regulations 2000, are unlikely to be met.

Where an AQMA has been designated, the local authority has to draw up an action plan setting out the measures it intends to take in pursuit of air quality objectives. Where the actions needed to improve air quality in an AQMA are outside the local authority's responsibility, such as the case cited by the hon. Gentleman—the reduction of pollution from a trunk road and motorway—the local authority's plan would have to show what action would need to be taken by the HA.

I can fully understand the principles behind the new clause. Local authorities will no doubt have concerns about working towards achieving the air quality objectives

[Mr. Keith Hill]

in their areas, especially where the action required is outside their control. I also agree that it is important for local authorities to have the full support of the HA when they designate their AQMAs and draw up action plans.

However, the provision is unnecessary. It would allow the Secretary of State to direct the HA to take action, including imposing slower speed limits on trunk roads or motorways within an air quality management area. However, the Secretary of State already has powers, under the Road Traffic Regulation Act 1984, to regulate speed on trunk roads and motorways; that is carried out by the HA.

The HA already has a role to play within the local air quality management—or LAQM—process. First, it is a statutory consultee under schedule 11 of the Environment Act 1995. Local authorities therefore have to consult the agency on their air quality reviews and assessments, their proposals for AQMAs and their AQMA action plans. The HA has also provided a technical advice document for local authorities to use when carrying out the review and assessment process.

Secondly, the HA will have to work alongside those local authorities that designate air quality management areas covering trunk roads and motorways where traffic levels are the main contributors to local air pollution problems. The HA is committed to working with local authorities, and is encouraging local authorities to set up small working parties, which would include the relevant HA area and route managers, to identify any possible HA measures that may be taken in pursuit of the air quality objectives.

The HA could take several measures in pursuit of the air quality objectives in AQMAs. For example, better use could be made of the existing messaging service on motorway gantries, such as an advanced warning system of incidents on motorways. The HA is also working with transport operators to encourage people to use public transport.

On the specific issue of introducing slower speed limits on motorways, the HA is not opposed to that in principle, but would want to consider each case on its merits. In considering any such measures on its roads, the HA would have to have regard to the following criteria: safety; economy; integration; environment and accessibility.

All new trunk roads are now subject to environmental impact assessment in accordance with an EU Directive. That assessment includes considering air quality impacts evaluated under the air quality strategy. Local authorities are always consulted on any such proposals.

It is evident that the HA is already fully involved in the LAQM process; it will be working closely with local authorities during the action plan stage to identify action that it can take, bearing in mind the cost-effectiveness of those measures. Furthermore, should local authorities experience any difficulties in liaising with the HA, we would encourage them to approach my Department for further advice.

I therefore hope that the House will agree that, although the principles behind the new clause are to be welcomed, it would not be appropriate to accept it for the reasons that I have outlined. However, before I urge the hon. Gentleman to withdraw it, I shall deal with the questions that he raised. I am grateful for the notice that he has given me of the questions. That reflects the extremely close working relationship that we developed in Committee over many hours and months and the singular experience that he and I had in a lonely Westminster radio studio in the middle of the night on Thursday 4 May and Friday 5 May.

First, the hon. Gentleman asked whether I could confirm that, where air quality management areas are declared, enforcement activities will be considered to be consistent with the objectives of the authority's local transport plan. We acknowledge the fact that local authorities are having to complete their local transport plans before they have completed their reviews and assessments. The majority, however, should by now have a clear view of any major local air quality problems and their likely causes.

In our revised local air quality management statutory guidance entitled, "Air Quality and Transport", which was issued to local authorities on 6 March 2000, we have advised local authorities to ensure that their local transport plans contain all the air quality information that is available at the time, even if it is only provisional. Where possible, they should also reflect the likely designation of any AQMAs. It is important for local authorities to make sure that the LAQM is closely linked into the local transport process, particularly because the plans will be judged by their links to air quality issues.

Secondly, the hon. Gentleman asked about authorities that declare air quality management areas, which they are under a statutory obligation to do. He asked whether I would make additional funds available to authorities to fund the designation of AQMAs and the development and enforcement of statutory air quality action plans.

We recognise that local authorities' air quality management duties have financial implications. Since 1997–98, we have made provision in the annual revenue support grant settlement to assist the running costs associated with those duties, including undertaking the air quality reviews and assessments, designating any air quality management areas, drawing up action plans and undertaking public consultation exercises. At the same time, we introduced a programme of supplementary credit approvals—that is to say additional borrowing powers—to support the necessary capital expenditure on air quality reviews and assessments. More than £12 million has been awarded so far. Letters inviting SCA bids for expenditure in 2000-01 were sent to authorities in February.

On the development and enforcement of AQMA action plans, let me say that local authorities can use their existing powers and controls, such as local air pollution control, domestic smoke control, transport and land use planning, to implement their action plans for achieving the air quality objectives. Authorities may also, for example, wish to use the local transport plan process to bid for funding for transport projects that aim to reduce transport-related emissions and improve air quality. Local authorities declaring smoke control areas may apply for SCAs to cover the necessary costs of conversions in domestic premises.

Mr. Michael Jack (Fylde): I have listened carefully to the Minister's arguments about the powers of local authorities. Will he help me on a point of detail? Do local authorities have any powers to promote public awareness

about the nature of the difference between old and new vehicles and about the contribution that newer vehicles with newer technology can make to improving overall air quality in a particular location?

Mr. Hill: I shall be entirely candid with the right hon. Gentleman. I am not sure that specific funding lines are available for that purpose, but every local authority has ample local financial resources. As the right hon. Gentleman knows, being a resident of Lambeth during his sojourn in the capital, many local authorities produce a range of publications in which they raise such issues with the public. I am grateful to the right hon. Gentleman for drawing attention to such publicity.

10.30 pm

On funding for AQMAs, it is up to local authorities to ensure that the measures proposed in their plans are proportionate and cost-effective. Some of the actions needed to improve air quality may lie outside the local authority's responsibility, and it will have to work closely with other bodies, such as the Environment and Highways Agencies.

I turn now to the query of the hon. Member for Bath about the timing of conclusions on the Motorists' Forum's recommendations and the possible consultations on extending emissions tests and additional powers. I am grateful to the Motorists' Forum, which represents a broad range of interests, for its work on this matter. We are actively considering its recommendations and will announce our decisions in due course. My Home Office colleagues and I propose to consider additional powers.

The hon. Member for Bath raised the interesting case of Sheffield, where, last Thursday, Labour increased its share of the vote, but the Liberal Democrats increased their number of seats on the council. That is a consequence of the first-past-the-post system which the hon. Gentleman may not wholly deprecate.

I shall correct the version of events in Sheffield that the hon. Gentleman related to the House. Sheffield city council suggested to the Highways Agency that it should impose a 50 mph speed limit on the M1 where it passes through the Meadowhall area, which colleagues assure me is called Tinsley. Sheffield had calculated that if speed limits on the motorway were reduced from 80 mph to 50 mph where it passed through the city, there would be a significant reduction in pollution. The optimum speed for fuel consumption and emissions is at a constant speed between 40 and 50 mph.

Mr. Don Foster: Lest it be thought that a Transport Minister is not aware of the motorway speed limit, I give the hon. Gentleman the opportunity to correct the record immediately because I am sure that when he said that the speed limit was 80 mph, he meant 70 mph.

Mr. Hill: It is a matter of public record that I am not a driver and have never learned to drive a car, so these matters are not always at the forefront of my mind, but I willingly accept the hon. Gentleman's correction. I shall now proceed to correct his version of events in Sheffield.

Contrary to the reports, the council's suggestion was not refused by the Highways Agency without consideration. However, the issue was not taken forward after the agency pointed out that due to the severe congestion on the M1 in that area at peak periods, speeds were already down to less than 50 mph.

If speed reduction measures were to be introduced, we would need to be sure that the benefits of improved air quality would outweigh the economic impact of lower speed limits on journey times. Emissions from vehicles on the trunk road network are usually more significant for air quality in urban areas. Traffic on such roads is unlikely to be travelling at the legal speed limit—the point raised by the hon. Gentleman—and, especially in congested areas, will cause far more damage to the environment in terms of emissions than if it were travelling at the legal speed limit.

With those explanations and responses, I invite the hon. Gentleman to withdraw the motion.

Sir David Madel (South-West Bedfordshire): Following on from the remarks made by the hon. Member for Bath (Mr. Foster) and the Minister's saying that, if district councils or town councils want advice on how to interpret the air quality rules, he will be happy to provide it, I rise to raise a specific case in my constituency: that of the extremely congested A5 route through the centre of Dunstable.

The Minister will be aware of our lengthy campaign to get a bypass. As long as there is no bypass, air quality worsens. An additional cause for urgency is that the Secretary of State for the Environment, Transport and the Regions has designated Luton and Dunstable as a growth area for housing; therefore, more people will be affected if the problem continues. Furthermore, without the provision of the bypass, 11 Dunstable schools, with hundreds of children, that lie close to the A5 will continue to endure the massive pollution generated by crawling, stop-start traffic. Similarly, many houses are affected by the problem. The benefit equation is, therefore, massively in favour of the bypass being built.

We have campaigned for many years to get the bypass built. I hope that the Minister will give a favourable hearing to councils if, following Thursday's elections, they approach him asking for advice on whether they can use air quality rules to hasten the building of the bypass. The Minister might wonder what last Thursday has to do with the new clause. The fact is that, during the district and town council elections in Dunstable, only the Conservative party campaigned for a full bypass; Labour and the Liberal Democrats have always been uncertain, even wobbly, on the issue. The result of Thursday's poll was that every single ward in Dunstable returned a Conservative district councillor; and a town council comprising 17 Labour and three Conservative councillors was transformed into one comprising 17 Conservatives and three Labour representatives. The people of Dunstable have given a clear and massive endorsement to an early start being made to the bypass, not least on grounds of air quality.

I make those points to the Minister in the hope that my words, and the council's representations, will cause him to look most favourably on starting a public inquiry into the bypass—not least after what has been said during this important debate about people being badly affected by poor air quality resulting from massive traffic congestion, which we certainly have in Dunstable.

Mr. Stephen O'Brien (Eddisbury): Conditions in my constituency are not untypical of those in many shire

[Mr. Stephen O'Brien]

county constituencies. There is no motorway, but many arterial routes and trunk roads traverse the constituency, and many of my constituents are affected by the traffic passing along those routes. The Minister will be familiar with the case, as, on behalf of my constituents, I have been a prolific letter writer on the subjects of speed and safety on the A41, the A49 and the A51, along with the less fast, but tighter and more difficult to negotiate green route that enters my constituency through Audlem in the southernmost part.

There is some debate about maps and whether many continental drivers of articulated lorries see on the map the green route, which appears to be the most direct route, and so come through my constituency, causing road congestion problems. However, my argument tonight focuses on the relationship between speed, air quality and new regulations that will permit lorry weights to be increased from 40 to 44 tonnes. There is real concern centring on arterial routes, such as the A49. Lorry drivers are equipped with mobile communications equipment, so by the time they go over the Thelwall viaduct on the M6 coming south, they know whether there is congestion around Birmingham. If there is, they leave the M6 and come down the A49 through Warrington and through the constituency of the hon. Member for Weaver Vale (Mr. Hall), before entering my constituency. The lorries then plough through my constituency before joining the M54.

The lorries do not follow direct motorway routes and, as we well know, air quality relates to lorries getting up to speed. On a non-motorway route, there are many bends and hills and, especially on the A49, sharp bends to negotiate. Lorries slow down, particularly owing to their added weight. They then have to get back up to speed; they are keen to travel, when possible, at the maximum speed permitted.

I hope that the Minister will take into account that issue in assessing the impact of the increase in lorry weights, given the nature of the roads on which lorries habitually travel partly because of congestion, particularly around Birmingham on the M6 leading up to the junction with the M5. As the many letters that the Minister and I have exchanged will testify, that has a real impact on my constituents.

I am not sure that the new clause would address the problem, but I listened carefully to the Minister. In assessing air quality measures relating to the speed and routing of lorries, it will be important to take into account measurements on lorries' ability to maintain speed. That in itself can lead to many more air pollutant quotas—however one measures it.

I urge the Minister to consider incentives for lorries once again to travel on the main motorway network, as that would address many of the concerns and alleviate many of the serious and legitimate worries of my constituents, many of whom live on those routes. Owing to the position of the original tracks, the houses are perilously close to the road, resulting in concern and danger.

Mr. Don Foster: If the hon. Member for Eddisbury (Mr. O'Brien) studied new clause 6 closely, he would see that it would bring him a great deal of comfort. It would enable his local authority to feel confident that it could work closely with the Highways Agency to consider the issues of speed on motorways in his area. If the Highways Agency were not prepared so to work with the local authority, there would be an opportunity to apply to the Secretary of State to direct that close co-operation.

I am absolutely delighted with the Minister's introductory remarks. I welcome his description of my remarks as eloquent. I was slightly taken aback by his description of our alleged close working relationship and somewhat surprised that he was prepared to refer to the time that we spent together late at night in a radio studio. He spent two hours defending the indefensible as further election disasters befell the party that he represents, while I was able to celebrate the success of my new and welcome hon. Friend the Member for Romsey (Sandra Gidley).

The Minister acknowledged my generosity in giving him advance notice of some of the questions that I would ask and, indeed, some of the points that I would raise, including reference to the situation in Sheffield. It was clear that he was not even aware of the speed limits on motorways, let alone the part of Sheffield to which we referred—Tinsley.

The Minister was not as thoroughly briefed as one might have hoped because he suggested that the Highways Agency did not want to introduce the speed limit proposed by the council because of congestion in the area at peak times. I hope that, when he checks the information with which he was provided, he will note that Sheffield council suggested to the Highways Agency a variable speed limit, as on the M25, to take into account that very concern.

The problem is that, despite the fact that Sheffield council has made that proposition, there is still not an opportunity for it and the Highways Agency to work together. The council has nobody to whom it can turn to resolve that dispute, and that is why the new clause is so important.

In his response, the Minister chose to adopt the technique of using acronyms. I do not blame him for that, as it speeds up the debate. I am well aware that, when an LA is working on its LAQM, which of course is part of the Government's NAQS and, as the Minister rightly said, is related to the LA's LTP, and could include the option of an LEZ, although the Minister has not yet given approval for LEZs, the LA must have the full support of the HA, as the Minister said, not least if the LA goes on to develop an AQMA.

Without new clause 6, there is no guarantee that the LA will get the full support of the HA. The Minister suggested that, if the LA is unhappy, it should seek advice from the DETR. However, it is unlikely that anything will happen, as the case in Sheffield demonstrates so eloquently.

Mr. Peter Atkinson (Hexham) *rose—*

Mr. Foster: I give way to the hon. Gentleman, but time is pressing.

Mr. Atkinson: I am grateful to the hon. Gentleman, who produced a tour de force of acronyms. How would the new clause help constituents of mine, who live on a trunk road with a village on either side? The local

authority wants a bypass there. If the local authority declares it a special air quality management area, what will the Highways Agency do? Will it be forced to build the bypass, which it otherwise would not?

10.45 pm

Mr. Foster: The hon. Gentleman refers to an AQMA, as I am sure that he knows. One way of improving his chances of success would be to turn it into an LEZ. He makes a fair point. There will be occasions when a local authority wants to achieve certain aims and wishes to get the support of the Highways Agency, but the Highways Agency disagrees. The new clause would allow the local authority to see whether the Secretary of State was willing to support it in that endeavour and, if so, to apply to him to instruct the Highways Agency to carry out the necessary work.

In the hon. Gentleman's example, it is unlikely that, even if the local authority wanted a bypass, the Secretary of State would give his approval and make it a requirement on the Highways Agency. However, there are many other cases—I gave one example in the Tinsley area of Sheffield—where the joint working of the local authority and the Highways Agency could have been strengthened by the new clause. I am disappointed that the Minister is not prepared to write it into the Bill. It is an important measure, and I hope that the House will not object too much if I press the motion to a Division.

Question put, That the clause be read a Second time:—

The House divided: Ayes 47, Noes 342.

Division No. 188] **[10.48 pm**

AYES

Allan, Richard
Ashdown, Rt Hon Paddy
Ballard, Jackie
Beggs, Roy
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Campbell, Rt Hon Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Davey, Edward *(Kingston)*
Ewing, Mrs Margaret
Fearn, Ronnie
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Gidley, Ms Sandra
Gorrie, Donald
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Kirkwood, Archy
Livsey, Richard
Llwyd, Elfyn
Maclennan, Rt Hon Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Swinney, John
Taylor, Rt Hon John D *(Strangford)*
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Tyler, Paul
Webb, Steve
Welsh, Andrew
Wigley, Rt Hon Dafydd
Willis, Phil

Tellers for the Ayes:
Sir Robert Smith and
Mr. Andrew Stunell.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atkins, Charlotte
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Rt Hon Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian

Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Wareing, Robert N
Watts, David
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Kevin Hughes and
Mr. Gerry Sutcliffe.

Question accordingly negatived.

New Clause 14

COMPETITION TEST FOR EXERCISE OF BUS FUNCTIONS

'. Schedule *(Competition test for exercise of bus functions)* contains provision applying a competition test in relation to the exercise of functions relating to quality partnership schemes, ticketing schemes and subsidised local services.'.—*[Mr. Hill.]*

Brought up, and read the First time.

Mr. Hill: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael J. Martin): With this it will be convenient to discuss the following: Government amendment No. 301.

Amendment No. 143, in clause 110, page 66, line 23, at end insert—

'(5) Local services provided under a quality contract scheme made in accordance with section 108 shall be exempt from the provisions of the Competition Act 1998.'.

Government amendments Nos. 303 to 306 and Government new schedule 1.

Mr. Hill: New clause 14 brings us to a topic that has excited many commentators in connection with our bus policy proposals, and occupied the Standing Committee more than once: competition.

We undertook to table amendments on Report to deal with competition issues as they affect the three key local authority functions introduced or enhanced by the Bill: quality partnerships, ticketing schemes and bus subsidy contracts, including frequency enhancements. The new clause and amendments were prepared in full consultation with the competition authorities, the Office of Fair Trading and the Department of Trade and Industry. I am sorry not to have been able to give the House a little more time to consider them, but they do what we said they would do.

The new clause and amendments achieve three things. First, they provide a special tailor-made regime for the exercise of such powers—rather than the Competition Act 1998, in case that Act might be thought to apply. I think that that concerned Members at an earlier stage. Secondly, they allow a bus operator, for example, to go to the Director General of Fair Trading if that operator thinks that the local authority's powers have been used unfairly. Thirdly—this is, perhaps, the most important point—

they require the Office of Fair Trading to consider not just any effect that there might be on competition but the wider public interest, including not only bus users but the community in general. For that purpose, we have included special public interest provisions tailored to the circumstances of bus operations, and the sort of benefits that local authorities will legitimately want to achieve through their use of bus powers. Those include better vehicles or facilities, service improvements and reducing or limiting traffic congestion, noise or air pollution. I hope that hon. Members will agree that those special provisions are much more appropriate and helpful to local authorities and to the public than anything in the Competition Act.

Valerie Davey (Bristol, West): Does my hon. Friend agree that the specific new amendments and the way in which the Government are now handling the matter are of particular value in a situation such as that in Bristol, where the bus company has a virtual monopoly, where the public good, as he has indicated, is of special concern to the local authority and the strengthening of local authority's power is to the benefit of the passenger?

Mr. Hill: I understand my hon. Friend's broad point, but the thrust of the new provisions is not precisely in the direction that she has described. They are designed to deal with possible allegations or suspicions of anti-competitive practices—for example, when ticketing arrangements are introduced—and to create some protection for the public interest where those measures are introduced, so I do not think that they quite attain the objectives that she may hope they do.

The provisions that I have outlined are in paragraph 2 of the new schedule. That paragraph is the most important part of the provision; otherwise, the schedule is essentially procedural. It provides for local authorities or bus operators to apply to the OFT for a decision—the OFT is, of course, the Office of Fair Trading, but I think that that is a reasonably familiar acronym, which I propose to persist with—or the OFT can look at a case itself if it sees fit.

The OFT must publish any decisions, with reasons, so that people know where they stand. Properly, the OFT is required to consult interested parties before finalising a decision if it thinks that the competition test is not met. The OFT has powers of direction once a decision has been made, although I am sure that in the vast majority of cases any necessary solutions will be worked out voluntarily.

The schedule contains provisions for the OFT to obtain information. It merely echoes provisions in other such legislation and contains confidentiality safeguards. Again, I would be surprised if those were much needed in practice, but I hope that the House will agree that it would not be right if bus operators were able to get together at the expense of the public and to frustrate OFT inquiries.

In addition to the schedule, there are some other amendments. They are mostly technical, but also helpful. For example, amendments Nos. 301 and 304 provide that reducing traffic congestion can be a valid reason for a local authority to bring forward a quality partnership scheme, or to subsidise a bus service. That ensures consistency with the wording of the competition test in paragraph 3 of the new schedule.

Amendment No. 303 provides that a local authority can vary a ticketing scheme, rather than simply revoke it, as in the Bill at present. Amendments Nos. 305 and 306 are consequential drafting changes to provisions in the Transport Act 1985 to make "economy, efficiency and effectiveness"—the best value criteria—the factors that local authorities must take into account in promoting the use of public transport generally in their areas, thus ensuring consistency with their obligations in reaction to bus subsidies in clause 131.

Opposition amendment No. 143 seeks to make bus services provided under quality contract schemes exempt from the Competition Act. It is substantially the same as an amendment that was debated in Committee. As we made clear on that occasion, the amendment seems to be wholly unnecessary.

Once a quality contract scheme has been introduced, there is by definition no longer a competitive situation for bus operations. All local services within the quality contract area, unless exempted, will be operated under contract to the local authority. The Competition Act will therefore not apply.

We further made the point that, if a quality contract were otherwise caught by section 2 of the Competition Act, it would be excluded by virtue of paragraph 5 of schedule 3 to the Act, which states that conduct engaged in to comply with a legal requirement is exempted from the Competition Act. Either way, therefore, we see no need to make further provision.

I hope that my explanation of the Government amendments is helpful to the House. I hope, too, that hon. Members will feel that these promised amendments will help all concerned by providing a special competition regime that also takes proper account of the public interest objectives that local authorities can—indeed, should—have in the use of their powers.

I know that competition legislation has been of concern to many hon. Members. It may therefore also help the House if I add that, yesterday, the OFT sent out consultation drafts of the block exemption. The covering letter was sent to the rail industry as well as to the bus industry trade association and local government and underlined the point that the proposed block exemption will apply to multi-modal schemes, not only to the bus industry.

We believe that that is good news, and I am sure that it will be welcomed by many hon. Members, including my hon. Friend the Member for Wythenshawe and Sale, East (Mr. Goggins), who has already made representations on behalf of the Manchester passenger transport executive. As I predicted in Committee, the OFT is taking forward a block exemption for bus and train ticketing schemes under the 1998 Act. The OFT has listened to representations. I hope that the House will find that reassuring.

Mr. Syms: In Committee, we spent considerable time discussing competition law. We did so because, if we do not get that matter right, the Bill's entire section on buses will not work. Representations on the Bill have been made by the bus companies, which are concerned that they will have to contend with both a competition regime—particularly under the Competition Act 1998, which came into force on 1 March and made things difficult for them—and the Transport Bill. The companies essentially felt that they were being caught between the Department of Trade and Industry and the Department of the Environment, Transport and the Regions.

[Mr. Syms]

The situation in Committee was not a happy one, primarily because we felt that the legislation would not work. I believe that the proposed regime will be helpful, and therefore welcome the Government's new clause, new schedule and amendments in this group. Nevertheless, the previous muddle was of the Government's own making, with two Departments going in two slightly different directions. The Local Government Association was very concerned about that muddle and made representations on it to the DETR.

The Opposition would like to see the quality partnership schemes work. For most people in the United Kingdom, buses are their only public transport alternative. The new regime will improve their chance of having such an alternative.

New clause 14 has been tabled at a relatively late stage in our consideration of the Bill. Have the bus companies been consulted on it? If so, did they have any comments? I am not an expert on buses—although I am a transport spokesman—but I am sure that the bus companies, particularly many of the major ones, have lawyers. As the 1998 Act provides for quite draconian ways in which company directors can be fined if they are anti-competitive, I am perfectly sure that those companies will wish to be consulted on the provision and have their views considered. If they have not been consulted, I hope that the Minister will reassure us that they will be before the Bill is sent to the other place. They should be consulted.

Have local authorities who have raised the competition issue directly with the Government been consulted on the proposed regime? Local authorities and bus companies are vital to operation of the Government's proposed regime. If they are happy with it, we would be happy.

11.15 pm

New clause 14 is sensible, and I am sure that the comprehensive new schedule 1 will meet the task. However, because of the conflict between two Departments, we have—as the Minister said—a tailor-made regime which I hope is robust.

The Minister said that the Office of Fair Trading has issued guidance on block exemptions. He said also that bus operators could go to the Director General of Fair Trading for directions, but there was no mention of the cost of doing so. Will there be such a cost on a company? If so, the House ought to be told today.

We welcome the Government's proposals and hope that there is the widest possible consultation. Bus operators must feel that they can move forward with quality partnerships and quality contracts in the knowledge that the regime will work and is robust. We wish the Government well on this because the travelling public want better services. The industry and local government want a degree of certainty that the new regime will work.

Mr. Don Foster: Like the hon. Member for Poole (Mr. Syms), I welcome the Government's proposals. The House will be aware that our amendment No. 143 would have much the same effect as the one proposed by the Government, but it is considerably less comprehensive.

I am disappointed that it has taken such a long time for the Government to come forward with proposals. In Committee on 29 February, the Minister told us that parliamentary counsel was busily drafting amendments in this regard. It has taken two and a half months for parliamentary counsel to bring this forward. I hope that time will show that it was worth the wait.

I am delighted that, at long last, we will begin to have a solution to a problem that was raised by many members of the Committee. The Minister was unwilling to accept a Liberal Democrat proposal that fares and frequency should be included in quality partnerships and quality contracts. The Minister agreed that it would be possible for a local authority working with transport companies in its area to produce an agreement on fares and frequencies, but that that would have to lie outside, but alongside, the statutory quality partnership or quality contract.

I understand that these amendments refer specifically to new quality partnerships and quality contracts, and do not refer to the non-statutory arrangements that may be made by local authorities with their various transport providers in the area. The Minister was asked about those non-statutory arrangements between a local authority and the transport providers in an area, and whether or not they could fall foul of the Competition Act. He said:

> I cannot give . . . that assurance. Such timetable agreements may or may not be in breach of the competition rules, but it is for the OFT to make inquiries into that and to come to its own decisions. Since such agreements do not form part of the Bill, it is hardly for me to make a judgment on them.—[*Official Report, Standing Committee E*, 29 February 2000; c. 794.]

I am sure that the House will recognise that a large number of the measures that a local authority may wish to take with transport providers in its area will refer specifically to fares and frequency. Indeed, on many occasions in Committee reference was made to the competition in some parts of the country whereby one bus company operates a particular timetable and another bus company introduces a service just a few minutes earlier to try to grab the passengers from the first company. Yet we know from experience that when two bus companies have agreed a timetable—one going on the hour and the other going on the half hour, for example—they have fallen foul of the Competition Act and the current work of the OFT. We hoped that the Minister would table an amendment that brought some comfort to local authorities and bus companies that any such arrangements that they sought to introduce to the benefit of passengers in a particular area would not fall foul of the Competition Act.

I seek some reassurance from the Minister that the provisions in the amendment, the new clause and the new schedule will ensure that arrangements in respect of fares and frequency will be treated in the same way as the other matters covered by the proposed provisions. I am delighted that we are making progress, but I am not convinced that all the issues have yet been covered.

Finally, in some parts of the country, including my constituency, local authorities wish to develop voluntary agreements with bus companies without introducing a quality partnership agreement. In some circumstances, particularly when fares and frequency are central issues, it is better to have a voluntary agreement that covers fares and frequency among other issues, rather than making them part of the statutory quality partnership. Again, I would be grateful if the Minister could give some comfort to local authorities such as Bath and North East Somerset council, which is trying to develop a partnership in respect of that dreadful subject that we discussed in

Committee—tour buses—that there will be some exemptions from the draconian approach adopted by the Office of Fair Trading.

Mr. Stephen O'Brien: I join my hon. Friend the Member for Poole (Mr. Syms) and other hon. Members in welcoming the Government's proposals. It might be helpful if I put in context my own experience of the operation of competition. Before being elected to the House I was, for my sins—I have many sins—the compliance officer in a large public company in the construction industry. I am conscious of the presence of the Minister for Housing and Planning, who is equally familiar with the construction industry, which is an important example of where the statutory competition provisions bite and are effective or not effective and which shows their effect on businesses and the directors of companies.

It is well known that in respect of a commodity product where one competitor is indistinguishable from another, there is every incentive—and good commercial reasons—to try to create a monopoly, albeit a small one in terms of the commercial market. That is the only way to secure the proper reward by price against the investment that has been put in. Of course, the market and consumers are always anxious for that not to happen. A prime example is the ready-mixed concrete industry, with which I am very familiar. There might be three ready-mixed concrete plants in towns in England, Wales, Scotland or Northern Ireland, each desperately trying to occupy the five-mile radius—much further, and the stuff would set in the back of lorry—and create some form of commanding market presence to justify itself. I am talking about radial monopolies. There was an incentive, at times—wholly to be condemned—to carve up the market. There have been court cases demonstrating that.

This proposal is a way of derogating from the application of the recently introduced statutory requirements on competition, which I fully support—we shall wait to see how they work out in practice, having so recently been implemented. This is lineal monopoly behaviour. If we combine radial and lineal monopolies, this is a first in terms of the way in which competition and marketplace domination are defined.

As I said, I welcome the Government's approach to quality partnerships, contracts and the need to address through routes and ticketing so that we can provide for all our constituents a proper public service recognition, while at the same time encouraging the investment that follows a proper commercial base for bus services. I was concerned, however, when the Minister referred to a special competition regime that can be used by local authorities. Would that one day extend to taxi services? Given the way in which the Post Office has harnessed some of the quasi-bus services, to what extent does that potential derogation apply? It is important to have that clarified.

There is an element of wanting to have it both ways. The Government talk about joined-up government, but they are conscious that what the Department of Trade and Industry is producing is not quite so joined-up, as far as the Bill is concerned, as they might like.

Directors face enormous difficulties and anxieties if they are accused of anti-competitive behaviour under increasingly rigorous statutory requirements. I fully understand the derogation that is sought, and the way in which the Government want to test it through the new schedule. However, I am not reassured, given where such provisions might lead in other areas of commercial activity, and I look to the Minister for reassurance. There is a special public interest provision in the new schedule. Many areas, as well as buses and trains, might be considered a special public interest. For instance, if the Ministry of Defence commissioned a new structure for its service, that would clearly be in the public interest. When it comes to the ready-mixed concrete to be supplied, under this potential precedent, would the Competition Act 1998, implemented on 1 March this year, be prayed in aid in order to seek a derogation?

Of course, I am postulating. This is hypothetical. It is none the less important, not least because I do not claim to be an expert in this field, other than through experience. However, we all know that an army of lawyers is out there, ready to charge horrendous fees for giving advice. That is a major cost on businesses, which feeds through to the consumer. Therefore, we have an interest in seeking to bring forward relevant and appropriate legislation.

My concern is that this provision—even though it is well intentioned—could be prayed in aid and used as a precedent in relation to unforeseen activities in other commercial marketplaces. I worry that it would undermine the 1998 Act and measures introduced by another Department.

11.30 pm

Mr. Peter Snape (West Bromwich, East): I declare an interest: I am the chairman of a bus company—Travel West Midlands, part of the National Express group.

The hon. Member for Eddisbury (Mr. O'Brien) must forgive me for not following him down the interesting path that he took. The Standing Committee might have benefited from his expertise; our proceedings would have been considerably enlivened by a debate on the difference between a radial and a linear monopoly. The hon. Member for Bath (Mr. Foster) and I would have immediately bowed out of that discussion on the grounds of lack of technical knowledge.

However, the hon. Member for Eddisbury made a relevant point on a matter that gave rise to much debate in Committee—as the hon. Member for Bath pointed out. The fundamental problem is that competition and integration do not make easy bedfellows. Although we all applaud the Government's intention of trying to integrate transport services in general and bus services in particular, it would be all too easy—as the hon. Member for Eddisbury reminds us—for that intention to fall foul of the Competition Act 1998.

That point deserves the attention of my hon. Friend the Under-Secretary of State for the Environment, Transport and the Regions, and I know that he will approach it with his customary courtesy and diligence. We need to know exactly where bus companies and local authorities stand vis-a-vis the 1998 Act, if we are to achieve the genuine integration that the Government want.

I suspect that the Conservatives are quite relaxed about that matter these days. The hon. Member for Poole (Mr. Syms), who spoke for the Opposition, was certainly extremely relaxed on the matter in Committee—as he was this evening.

[Mr. Peter Snape]

When we discussed in Committee co-operation between local authorities and bus companies, I pointed out that we all want such voluntary agreements to be established and to work. The bus industry as a whole did not want fares and frequencies—for example—to become part of any statutory partnership. The industry feels that such fundamental matters, which have a direct, bottom-line impact, are best decided by the companies, although they—especially my own company—would seek agreement with the relevant local authority.

However, we need some reassurance that, having sought such agreement, we should not be hauled off to the authorities under the Competition Act. As the hon. Member for Eddisbury reminds us, the penalties faced by directors are—rightly—somewhat draconian. I declare another interest: I have no particular desire to be dragged off and arraigned if we came to a voluntary agreement with the local authorities and it fell foul of the Act. The question is relevant and well worth debate.

Furthermore, if my hon. Friend the Under-Secretary can answer that other question—on the difference between a linear and a radial monopoly—the House will be grateful to him. If we had held such a debate in Committee, not only might our deliberations have been enlivened, but our knowledge of such matters would have been considerably enhanced by the guidance of the hon. Member for Eddisbury on what is, I am sure, an enormously important difference—albeit one that I have never heard put to the test. From my long experience of working with my hon. Friend, I know that he is extraordinarily well educated, so he is in a better position than any other Member here to answer that vital question.

Mr. Peter Luff (Mid-Worcestershire): I have no interest to declare except to say that, for three happy years from 1982 to 1985, I advised the Confederation of British Road Passenger Transport, which subsequently became known as the Bus and Coach Council. At that time, we agonised about many of the issues that have been debated tonight.

I shall speak to new schedule 1 and amendment No. 306. I listened carefully to the Minister's remarks, but I did not hear him address amendment No. 306. If he did and I missed it, I apologise to him. The amendment inevitably caught my eye because it would amend section 63(7) of the Transport Act 1985 by replacing the words from "so to conduct" to the end of the subsection with the words

to have regard to a combination of economy, efficiency and effectiveness.

I thought that our whole political lives were designed to have regard to

a combination of economy, efficiency and effectiveness

so the amendment is motherhood and apple pie written into statute law. I can think of many clichés with which one would wish to amend Acts of Parliament. Will the Minister explain exactly what the amendment will do? It looks splendid, impossible to argue with—and therefore, I am afraid, profoundly suspicious.

My hon. Friend the Member for Poole (Mr. Syms) was charitable to the Government about new schedule 1. It is longer than many Acts of Parliament; it is a huge provision that contains many fascinating and surprising ideas. They are not necessarily wrong, but they are surprising.

Paragraph 16(1) of the new schedule states:

The Director may charge fees in connection with the exercise by him of any of his functions under this Schedule.

What are those fees and how much will they involve?

My hon. Friend's points were germane. What consultation has taken place? Why does paragraph 15 give the Director General of Fair Trading such an absolute defence on defamation? That provision appears to be very generous. Why does paragraph 9 exempt information

made for the purpose of facilitating the performance of any function of the European Commission in respect of Community law about competition?

That is extraordinary enough, but why does paragraph 4 need to spell it out. It says:

In determining an application made under paragraph 3, the Director must take into account any representations made to him about the application.

I thought that he would always take into account such representations. It is a long and complex new schedule.

Mr. Peter Atkinson: Has my hon. Friend seen paragraph 13 of the new schedule, which gives the director general the extraordinary power to take an authority that fails to comply with his orders "without reasonable excuse"—whatever that may mean—to the High Court? Presumably, if the authority fails to appear, it could be in contempt of the High Court. That is draconian at the very least.

Mr. Luff: I agree strongly with my hon. Friend. The new schedule may meet with the approval of the industry, local authorities and all those involved, but it is an exceptionally long schedule to put into an exceptionally long Bill at this late stage. The Minister will need to reassure us that the consultations that I hope he has had with those who will be affected by the new schedule have produced a favourable result.

Mr. Hill: I take it that there are no more bidders in the debate.

I express my gratitude to the hon. Member for Poole (Mr. Syms) for his warm welcome for new clause 14 and to the official spokesman for the Liberal Democrats, the hon. Member for Bath (Mr. Foster), for what was, I suspect, his slightly less warm welcome. All the offers made were appreciated.

The hon. Member for Poole asked two questions. First, he asked about consultation with bus operators and local authorities. The new clause and the amendments will do what we said in Committee that they would do. It goes without saying that we keep in touch with the bus industry and local government. I was careful to explain our intentions at some length in Committee, so that the industry and local authorities could make representations if they so wished. We have certainly explained our intentions to the bus industry.

The hon. Gentleman also pressed me on the issue of fees for applications for decisions on the new competition test. Paragraph 16 of the new schedule gives the director general a power to charge fees in connection with the exercise of any of his new powers. That would include,

for example, a fee for an application made to him under paragraph 3 of the schedule about whether the new competition test was met in any given case. The schedule contains no special procedure for setting fees. Any fees charged will be at the director general's discretion, and it will be open to him to choose not to set a fee in particular cases if he considers it appropriate.

I turn now to the remarks of the hon. Member for Mid-Worcestershire (Mr. Luff). I nearly called him the hon. Member for Wyre Piddle because of his proper obsession with that place—I shall return to the issue of obsessions later. He also referred to fees set by the director general. I imagine that they would be set at a level that takes into account the resources involved in determining a particular case. He made one or two suggestions and complained about the length of the new schedule. We have tried to make it as comprehensive as possible, and we are being damned for its length, but I dare say that if it had been short, we would have been damned for its brevity. I shall, in due course, return to other points made by the hon. Gentleman.

The hon. Member for Bath raised the status of fare and frequency arrangements that are not included in the quality partnerships. In Committee, we took to describing those arrangements as non-statutory codicils to quality partnerships. This point was also raised by my hon. Friend, and guru, the Member for West Bromwich, East (Mr. Snape). The hon. Member for Bath is correct: the new schedule does not apply to non-statutory agreements. The position is as I have stated it before, but I know that the Office of Fair Trading is always willing to talk constructively to anybody who wants to put proposals to it. It is not for me to speculate on particular cases.

I fear that the hon. Gentleman also mentioned quality partnership arrangements in connection with tour buses. I thought that we would be lucky if we got through the proceedings without a reference to tour buses or Eurocontrol. We have heard enough of both, particularly the latter, this evening. I say to the hon. Gentleman and his local authority of Bath and North East Somerset that we should remember that many non-statutory quality partnerships have already been successfully established, and the OFT has not objected. The track record is by no means completely unhappy. If Bath and North East Somerset council is in doubt, I offer it the advice, via the hon. Gentleman, that the OFT is always ready to talk.

Mr. Don Foster: The Minister is being helpful, but the point is that in new schedule 1 the Government argue that it must be demonstrated that non-statutory partnerships would secure benefits to the service users, and reduce or limit congestion and noise or air pollution. If similar benefits accrue from a non-statutory quality partnership, does the Minister expect that the OFT will be likely to approve such an arrangement?

11.45 pm

Mr. Hill: I understand the thrust of the hon. Gentleman's point, but I have to tell him that it is not appropriate for me to speculate at the Dispatch Box on a matter of that nature. It is a sensitive matter and Ministers have to be wary; it is certainly not a subject that I intend to explore, especially at this late stage in our proceedings.

The hon. Member for Eddisbury, who is indeed a most prolific correspondent on behalf of his constituents, warned of the dangers and temptations of monopolies, both linear and radial. As he acknowledged, the new clause is designed to enable us to strike a delicate balance between best value in transport provision and competition requirements. Again, it is not for me to speculate about the extent to which these provisions might act as a precedent for other arrangements. At one point, he spoke about the Ministry of Defence and about poured concrete—a subject of which I confess complete ignorance.

The hon. Gentleman asked whether the special competition regime would apply to taxi services. The short answer is no; the new clause is solely about buses. The slightly longer answer is that in certain circumstances, a taxi can run as a bus service; however, I shall spare the hon. Gentleman an exposition of taxi law—a subject of immense complexity with which I have to wrestle constantly. The amendment is deliberately designed to address bus issues alone, and I make no apology for its exclusivity, even in respect of ready-mixed concrete. I do not accept that the proposals pose any threat to the Competition Act 1998.

My hon. Friend the Member for West Bromwich, East raised the question of agreements between companies. As I have said, the most important thing is to consult the OFT. The key issue is the consumer: in consumers' interests, the OFT—indeed, all of us—should be wary of cosy deals between operators, which might be to their advantage and not to that of passengers. I am sure that my hon. Friend would not countenance such deals, but we must not forget the possibility of their arising and we must always remember that the consumer has priority.

Mr. Snape: Will my hon. Friend not utter a word of encouragement? I understand the dilemma in which he finds himself: on the one hand, the Government want to encourage local authorities and bus operators to come to voluntary agreements; on the other hand, he appears to want to wash his hands of the consequences of such agreements. However, what about saying to the OFT that such agreements should be encouraged, if they are in the interests of the consumer? If no such action is taken, bus companies are likely not to bother with such agreements, lest they become mired in difficulties.

Mr. Hill: It is not unreasonable to suggest that the bus companies might take an initiative in the matter. Having said that, I am sure that those in the OFT will read very carefully my hon. Friend's remarks in *Hansard* and reflect on them.

Mr. Don Foster: The hon. Member for West Bromwich, East (Mr. Snape) has got the Minister on the ropes. The Minister must respond to him. It cannot be right for the Minister to ask the House to support him, please, in the amendments that get round the Competition Act because, by referring to statutory quality partnerships and quality contracts, they will ensure benefits for service users and will limit congestion, noise or air pollution, yet when people want to do so on a voluntary, non-statutory basis, for him to say, "It's nothing to do with me, Guv. That is dangerous territory; I shouldn't enter into it." Why should he not enter such territory?

Mr. Hill: I am reminded of my oft-quoted remark that there is nothing more deadly than the friendly intervention. I shall not be tempted along that path.

[Mr. Hill]

We should not forget that the Competition Act has a public interest provision—if I can call it that—albeit in more general, less tailor-made terms than the proposed new schedule. Section 9 is an example.

Mr. Jenkin: Will the Minister give way?

Mr. Hill: Aha—the hon. Gentleman, who is not notorious for his interest in bus matters, obviously spots a potential vulnerability and leaps to his feet.

Mr. Jenkin: I am most interested in these bus matters. I just wanted to inquire, on an entirely friendly basis, how happy the Minister's colleagues at the Department of Trade and Industry are with the proposed arrangements.

Mr. Hill: That is an easy one. I am most grateful to the hon. Gentleman for a genuinely friendly intervention. I assure him that these novel and important provisions have been drawn up in complete consultation and collaboration with the DTI, which is entirely happy with them.

I hasten on to deal with the points raised by the hon. Member for Mid-Worcestershire. He talked about special provisions in what he complained was a long and complex new schedule, but the powers in the new schedule are less dramatic than they seem. It is a matter simply of getting the procedures right; they have precedents. The OFT needs fall-back powers in the event of people obstructing it, but we very much doubt whether they will be needed. We hope that they will not, but it is right for legislation to cover a wide range of circumstances. There is protection, for example, for commercially sensitive information in paragraphs (8) and (9).

The hon. Member for Mid-Worcestershire referred to amendment No. 306. Although I mentioned it in my opening remarks, I can imagine that the general interest in my speech was so intense that he did not entirely pick up my comments. Amendments Nos. 305 and 306 ensure consistency with clause 131(2). Amendment No. 306 introduces the best value test of economy, efficiency and effectiveness, which reads across to the generality of local government legislation. It offers alternative wording to the phrase "not to inhibit competition" in the Transport Act 1985, which is felt to be less helpful than the new formulation. It essentially links current thinking about the criteria that ought to be adopted by local authorities in their policies. With that very comprehensive response to the debate, I commend the new clause to the House

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 8

POWER TO OBTAIN INFORMATION ABOUT LOCAL SERVICES

'.—(1) A local transport authority may, in connection with the exercise of any of its functions relating to public transport, require an operator of local services to provide it with any information relating to the matters specified in subsection (2) which is in his possession or control.

(2) The matters referred to in subsection (1) are—

(a) the total number of journeys undertaken by passengers on the local services operated by the operator in the authority's area or any part of its area,

(b) the structure of fares for those journeys, and

(c) the total distance covered by vehicles used by him in operating those local services.

(3) The operator may be required to provide the information in any form in which, having regard to the manner in which the information is kept, it is reasonable to expect him to provide it.

(4) No information which—

(a) has been provided under this section, or provided together with information so provided, and

(b) relates to the affairs of an individual or to a particular business,

shall be disclosed during the lifetime of the individual or while the business continues to be carried on.

(5) But subsection (4) does not apply to a disclosure made—

(a) with the consent of the individual or the person for the time being carrying on the business,

(b) in connection with the investigation of crime or for the purposes of criminal proceedings,

(c) for the purposes of civil proceedings brought by virtue of this Act or the Transport Act 1985, or

(d) in order to comply with the order of a court or tribunal.

(6) A person who discloses information in contravention of subsection (4) is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.'.—*[Mr. Hill.]*

Brought up, and read the First time.

Mr. Hill: I beg to move, That the clause be read a Second time.

The new clause was tabled in response to a matter that we discussed in Committee on 17 February on a Liberal Democrat amendment aimed at allowing access by local authorities to reasonable statistical information held by bus operators. We expressed sympathy with the aims of the amendment and undertook to introduce a suitably worded new clause, which I am happy to do.

The new clause should meet all the points raised in Committee. It will give a local transport authority, in the exercise of any of its public transport functions, power to require bus operators to supply information that they hold. The information may relate to passenger journeys, bus mileage and fare structures in respect of journeys throughout the area or part of the area. It may be requested in any form, subject to a test of reasonableness, and it may not be disclosed, other than with consent or in connection with civil or criminal proceedings, contravention being subject to a fine of up to level 5 on the standard scale.

I hope that the House will agree that the new clause is a welcome improvement to the Bill. It will ensure that authorities, in support of their functions relating to local transport plans and bus strategies, but also more generally—for example, in the context of reporting on bus services under the local government best value regime—have access to appropriate statistical information held by bus operators. It will also safeguard matters of commercial confidentiality.

Mr. Michael Moore (Tweeddale, Ettrick and Lauderdale): I do not think that any of us had expected to reach the new clause, but after the Minister has so generously responded to serious concerns raised by Liberal Democrats in Committee, it would be churlish of us not to acknowledge the major steps forward that he has taken. The habit of the Committee was for members to

write home to their mother or wife on the occasion of such a minor triumph. We have had the pen ready and the postage stamp prepared, and we will send that letter off tonight.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour*

New Clause 10

VARIATIONS: SUPPLEMENTARY

'.—(1) The relevant references to the authority or authorities in relation to a quality partnership scheme—

(a) include a local transport authority if it has been varied so that it relates to that authority's area, but

(b) do not include a local transport authority if it has been varied so that it no longer relates to that authority's area.

(2) But if (although the scheme does not relate to a local transport authority's area) it would do by reason of a proposed variation, those references (apart from those in section 101) include that authority.

(3) The relevant references (apart from that in section 97(1)) to the authority or authorities in relation to a quality partnership scheme—

(a) include a traffic regulation authority if it has been varied so that it specifies traffic regulation facilities, but

(b) do not include a traffic regulation authority if it has been varied so that it no longer specifies such facilities.

(4) But if (although the scheme does not specify facilities which are traffic regulation facilities in relation to a traffic regulation authority) it would do by reason of a proposed variation, those references (apart from those in section 101) include that authority.

(5) And if (although the scheme specifies facilities which are traffic regulation facilities in relation to a traffic regulation authority)—

(a) the traffic regulation order, or (where more than one) each of the traffic regulation orders, required to be made by that authority for the provision of those facilities has been revoked, and

(b) the scheme is proposed to be varied (but not so that it specifies other facilities which are traffic regulation facilities in relation to that authority),

the relevant references (apart from those in section 101) do not include that authority.

(6) For the purposes of this section the relevant references are those in—

(a) section 97(1) to (3),

(b) sections 98 to 102, and

(c) section 108(5B),

and paragraph 27(3) of Schedule 9 to the Road Traffic Regulation Act 1984.

(7) In this section "traffic regulation authority" means—

(a) a metropolitan district council,

(b) the Secretary of State, or

(c) the National Assembly for Wales.

(8) For the purposes of this section facilities are traffic regulation facilities, in relation to a traffic regulation authority and a quality partnership scheme, if that authority was required to be a maker of the scheme because it originally specified those facilities or would have been required to be a maker of it had it done so.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 9

PLANS AND STRATEGIES: SUPPLEMENTARY

'.—(1) In carrying out their functions under sections 92 to 95, a local transport authority must have regard to any guidance concerning—

(a) the content of local transport plans (and bus strategies),

(b) the preparation of such plans (and strategies),

(c) the alteration and replacement of such plans (and strategies), and

(d) the publication and making available of such plans (and strategies) as originally made and as altered or replaced,

which is issued from time to time by the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales).

(2) In developing their policies under section 92(1) and their bus strategy, a local transport authority must have regard to the transport needs of persons who are elderly or have mobility problems.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

Clause 93

FURTHER PROVISION ABOUT PLANS

Amendments made: No. 149, in page 56, line 29, leave out—

'(their "current local transport plan")'.

No. 150, in page 56, line 34, leave out "subsection (5)" and insert—

'section *(Plans and strategies: supplementary)*(1)'.

No. 151, in page 56, line 37, leave out "current".

No. 152, in page 56, line 45, at end insert—

'(4A) Where a local transport authority have, before the coming into force of section 92, prepared and published a document which—

(a) contains policies developed by them for the purposes described in subsection (1)(a) of that section, and

(b) was prepared and published in accordance with guidance issued by the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales),

that document shall be taken to be the authority's local transport plan.

(4B) But, in the case of a document which is a local transport plan by virtue of subsection (4A), subsection (2) requires its replacement not later than—

(a) 31st March 2006, if it relates to an area in England, or

(b) such date as is specified in an order made by the National Assembly for Wales, if it relates to an area in Wales,

(rather than not later than five years after the date on which it was made).'.

No. 153, in page 57, line 1, leave out subsection (5).—*[Mr. Robert Ainsworth.]*

Clause 94

BUS STRATEGIES

Amendment made: No. 154, in page 57, leave out lines 24 and 25.—*[Mr. Robert Ainsworth.]*

Clause 95

CONSULTATION AND PUBLICITY ABOUT BUS STRATEGIES

Amendments made: No. 155, in page 57, line 38, leave out from beginning to "whose" in line 41 and insert—

'any other relevant local authority'.

No. 156, in page 58, line 5, at end insert—

'( ) For the purpose of subsection (1)(a) the following are relevant local authorities—

(a) local transport authorities,

(b) metropolitan district councils,

(c) London transport authorities, and

(d) councils in Scotland;

(except that, in the case of consultation by a Passenger Transport Authority for a passenger transport area, a council for a metropolitan district comprised in the area is not a relevant local authority).'.

No. 157, in page 58, line 7, leave out "(their "current bus strategy")".—*[Mr. Robert Ainsworth.]*

Clause 96

ROLE OF METROPOLITAN DISTRICT COUNCILS

Amendments made: No. 158, in page 58, line 17, leave out "and (5) and 94(3)" and insert—

', 94(3) and *(Plans and strategies: supplementary)*'.

No. 159, in page 58, line 19, at end insert—

'( ) Section 93(4A) applies in the case of a Passenger Transport Authority for a passenger transport area only if the document to which it refers has been prepared and published by—

(a) that Authority, and

(b) the councils for the metropolitan districts comprised in the area,

acting jointly.'.—*[Mr. Robert Ainsworth.]*

Clause 97

QUALITY PARTNERSHIP SCHEMES

Amendments made: No. 160, in page 58, line 24, leave out "current".

No. 301, in page 58, line 28, after "limit" insert "traffic congestion,".

No. 161, in page 59, line 7, at end insert—

'(other than a road for which the Secretary of State or the National Assembly for Wales is the traffic authority)'.

No. 162, in page 59, line 8, leave out "must be" and insert—

'may not be made unless it is'.

No. 163, in page 59, line 9, at end insert—

'(6A) If the provision of any of the facilities requires the making of a traffic regulation order in respect of a road for which the Secretary of State or the National Assembly for Wales is the traffic authority, the scheme may not be made unless it is made by—

(a) the local transport authority or authorities, and

(b) the Secretary of State or the National Assembly for Wales,

acting jointly.

(6B) Where subsection (6) or (6A) applies so that a metropolitan district council, the Secretary of State or the National Assembly for Wales is a maker of the scheme, then (subject to section 102(7)(b) and (9)) the relevant references to the authority or authorities include (as well as the local transport authority or authorities) the metropolitan district council, the Secretary of State or the National Assembly for Wales.

(6C) For the purposes of subsection (6B) the relevant references are—

(a) subsections (2) and (3),

(b) sections 98 to 102, and

(c) section 108(5B),

and paragraph 27(3) of Schedule 9 to the Road Traffic Regulation Act 1984.'.

No. 164, in page 59, line 15, after "another" insert "such".—*[Mr. Robert Ainsworth.]*

Clause 98

NOTICE AND CONSULTATION REQUIREMENTS

Amendments made: No. 165, in page 59, line 21, leave out subsection (3).

No. 166, in page 59, line 31, leave out from beginning to second "any" in line 32 and insert—

'any other relevant local authority'.

No. 167, in page 59, line 38, at end insert—

'( ) For the purpose of subsection (4)(c) the following are relevant local authorities—

(a) local transport authorities,

(b) metropolitan district councils,

(c) London transport authorities, and

(d) councils in Scotland.'.—*[Mr. Robert Ainsworth.]*

Clause 101

EFFECT OF SCHEME

Amendments made: No. 168, in page 61, line 12, at end insert—

'( ) Nor does it apply in the case of the Secretary of State or the National Assembly for Wales if he or it is unable to provide the facilities owing to the variation or revocation of a traffic regulation order.'.

No. 169, in page 61, line 13, leave out subsection (3).—*[Mr. Robert Ainsworth.]*

Clause 102

VARIATION OR REVOCATION OF SCHEME

Amendments made: No. 170, in page 61, line 36, leave out "only".

No. 171, in page 61, line 39, leave out "termination" and insert "revocation of the scheme".

No. 172, in page 61, line 41, after "scheme" insert "under subsection (1)".

No. 173, in page 61, line 44, leave out—

'or the revocation of a scheme'

and insert—

'under subsection (1), or the revocation of a scheme under subsection (2),'.—*[Mr. Robert Ainsworth.]*

Clause 105

QUALITY CONTRACTS SCHEMES

Amendments made: No. 174, in page 62, line 34, leave out "current".

No. 404, in page 63, line 9 leave out "exclusive".—*[Mr. Robert Ainsworth.]*

Clause 106

NOTICE AND CONSULTATION REQUIREMENTS

Amendments made: No. 175, in page 64, line 1, leave out from beginning to "any" in line 2 and insert—

'any other relevant local authority'.

No. 176, in page 64, line 8, at end insert—

'( ) For the purpose of subsection (3)(d) the following are relevant local authorities—

(a) local transport authorities,

(b) district councils in England,

(c) London transport authorities, and

(d) councils in Scotland.'.—*[Mr. Robert Ainsworth.]*

Clause 107

APPROVAL OF PROPOSED SCHEME

Amendments made: No. 177, in page 64, line 18, leave out from beginning to "may" in line 19 and insert—

'Any person consulted under section 106(3)'

No. 178, in page 64, line 34, leave out—

'as proposed under subsection (1)'

and insert "without modifications".—*[Mr. Robert Ainsworth.]*

Clause 108

MAKING OF A SCHEME

Amendment made: No. 179, in page 65, line 12, at end insert—

'(5A) The scheme may include provision—

(a) varying or revoking any quality partnership scheme which only relates to the area of the authority, or combined area of the authorities, by which the scheme is made, or

(b) varying any other quality partnership scheme to the extent that it so relates.

(5B) If provision is made under subsection (5A)(b) to vary the quality partnership scheme so that it no longer so relates, such of the authorities by which it was made as did not make the quality contracts scheme—

(a) may (subject to the provision so made) vary it if they decide that it is appropriate to do so, or

(b) may revoke it if all persons who have given an undertaking to provide a service to a standard specified in the scheme consent to the revocation of the scheme (which consent must not be unreasonably withheld);

and subsections (3) and (4) of section 102 apply to a variation or revocation under this subsection.'.—*[Mr. Robert Ainsworth.]*

Clause 111

TENDERING FOR QUALITY CONTRACTS

Amendment made: No. 180, in page 66, line 27, leave out from "years" to end of line 29.—*[Mr. Robert Ainsworth.]*

Clause 113

VARIATION OR REVOCATION OF SCHEME

Amendments made: No. 181, in page 67, line 43, after "scheme" insert—

'(other than any to whose area the scheme no longer relates)'.

No. 182, in page 68, line 1, at end insert—

'or

(c) providing for new exclusions from the scheme or for the variation or revocation of existing exclusions.'.

No. 183, in page 68, line 9, after "authorities" insert—

'who made the scheme (other than any to whose area the scheme no longer relates)'.

No. 184, in page 68, line 19, at end insert—

'and section 111 applies to a varied scheme but subject to regulations so made.'.—*[Mr. Robert Ainsworth.]*

Clause 116

JOINT AND THROUGH TICKETING SCHEMES FOR BUSES

Amendment made: No. 185, in page 69, line 22, leave out "current".—*[Mr. Robert Ainsworth.]*

Clause 117

NOTICE AND CONSULTATION REQUIREMENTS

Amendment made: No. 302, in page 70, line 1, leave out "introduce" and insert "make".—*[Mr. Robert Ainsworth.]*

Clause 118

MAKING OF SCHEME

Amendment made: No. 303, in page 70, line 32, at end insert—

'(5) The authority or authorities may vary or revoke the scheme; and the variation or revocation is subject to the same procedure as the making of the scheme, except to the extent that that procedure is modified by regulations made by the appropriate national authority.'.—*[Mr. Robert Ainsworth.]*

Clause 120

INFORMATION ABOUT BUS SERVICES

Amendment made: No. 186, in page 70, line 38, leave out "current".—*[Mr. Robert Ainsworth.]*

Clause 124

MANDATORY CONCESSIONS OUTSIDE GREATER LONDON

Mr. Jenkin: I beg to move amendment No. 300, in page 72, line 33, at end insert—

'or that he will receive discretionary travel concessions which are at least equivalent to the concessions provided for under subsection (1).'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: Amendment No. 146, in clause 125, page 72, line 43, leave out from "attained" to end of line 45 and insert—

'the age of sixty years or over.'.

Government amendments Nos. 187 and 188.

Mr. Jenkin: At this late hour, I shall explain the purpose of amendment No. 300, which amends clause 124(3). The clause contains the necessary technical definitions and regulation-making powers so that the price of the bus pass can be altered in a concessionary fares scheme.

[Mr. Jenkin]

Subsection (3) states:

A person may agree with the travel concession authority that he is not entitled to be provided with concessions under subsection (1) for a period in return for being entitled during that period to receive travel concessions under a scheme under section 93 of the Transport Act 1985.

I confess that I have not made a detailed study of section 93 of the Transport Act 1985, but the amendment would add to the end of clause 124 the words,

or that he will receive discretionary travel concessions which are at least equivalent to the concessions provided for under subsection (1).

12 midnight

The amendment's importance is immediately apparent. When a person benefits from a non-statutory concessionary travel scheme, the local authority should be released from its obligation to provide that person with statutory concessions under the Bill. Groups of local transport authorities that offer non-statutory concessionary travel schemes, should not need to offer a statutory discretionary fare scheme under the Bill.

I hope that the Minister realises that several transport authorities have made representations on the matter. I hope that he will accept the amendment or undertake to accept a similar amendment at a later stage.

Mr. Moore: As the hon. Member for North Essex (Mr. Jenkin) said, the hour is late and the fluidity of our discussions is not what it might be, not least since our earlier exchange of acronyms.

Amendment No. 146 strikes at the heart of major discrimination in the Bill on concessionary fare schemes. My hon. Friend the Member for Bath (Mr. Foster) believes that it would be unwise for him to speak about the amendment because he might have to declare an interest: under our proposal, he would qualify for a concessionary bus pass in 2007; under the Government's provisions, he would have to wait until 2012. As we get closer to 2007, the matter worries him greatly.

Mr. Raynsford: When will the hon. Gentleman qualify?

Mr. Moore: In my case, it does not matter which scheme is implemented. If I am spared, it will be a wee while before I qualify. *[Interruption.]* I am glad that my hon. Friend the Member for Bath has rejoined us to hear us fight the case for an earlier bus pass for him.

In Committee, the Minister did not tackle the fundamental point and identify the reason for the discrimination. He hid behind the fact that pensions legislation refers to equalisation by 2020. That is a long time to wait, and many organisations, including Parity, Age Concern and the National Federation of Post Office and British Telecom Pensioners, fail to understand the reasons for the discrimination.

The European courts, especially in the Atkins case, have failed to back the proposal that the amendment presents and have supported the Government's position. However, in case the Minister is tempted to hide behind that defence again, the Government won the case because the issue was further confused by others, not least young people, who were entitled to concessionary fares.

In Committee, the hon. Member for West Bromwich, East (Mr. Snape) tried to clarify the cost of the amendment. He is a diligent Member and he contributed greatly to those proceedings. In his own way, he hoped to back the broad principle that we support and said:

I do not look forward to being issued with a bus pass, but it will at least qualify me as a pensioner to sit in the pub, twang my braces, bemoan the fate of modern society and comment on every subject under the sun.—[*Official Report, Standing Committee E*, 29 February 2000; c. 811.]

We all denied that he was up to that already.

Our amendment has broad cross-party support so we hope that the Minister has changed his mind in the weeks that he has had to consider it and sees fit to support us.

Mr. Snape: I hope to follow the hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore) without repeating anything that I said in Committee, except that I asked the Liberal party how much the proposal would cost. Answer came there none, and answer came there none tonight. I hate to inject a controversial note, but I voted against it, as did my hon. Friends, on the ground that it represented a dash of cheap populism—not that that is common, of course.

Mr. David Taylor (North-West Leicestershire): It came from the Liberal party's vast store.

Mr. Snape: My hon. Friend's sedentary comment is somewhat unkind. I am not sure how vast that store is, but that is how the proposal struck me. The Liberal party wrote to various people in various parts of the country, usually in constituencies represented by Liberals. They wrote to members of the Committee, me included—*[Interruption.]* The hon. Member for Bath (Mr. Foster) shakes his head and professes to know nothing about it, but of course he did that. I do not complain; that is politics.

Most of the letters accusing me and other Labour members of the Committee of sex discrimination and refusing to allow elderly gentlemen to participate in a pensioner scheme—I almost fall into that category as the magic date is approaching—came from constituencies represented by Liberals. I have no objections as that is part of the rough and tumble and hurly-burly of politics, but I still want to know how much the proposal will cost. It is incumbent on the Liberal party, before engaging in cheap populism, to tell us—*[Interruption.]* I did not; I voted against. The Liberal party must tell us the cost.

Mr. Don Foster: May I attempt to answer both the hon. Gentleman's points briefly? The hon. Member for Coventry, North-East (Mr. Ainsworth), who served as the Whip in Committee, was the first to express concern about the letters. I assured him, as I assure the hon. Gentleman, that although I wish that I had thought of writing such letters, another organisation—not my party—wrote them without our knowledge or agreement.

The hon. Gentleman makes a fair point about cost, but it would be absolutely zero in the next 18 months. The Government, for the past three years, have made great play of their introduction of the concessionary fares scheme. However, that will not happen for another 18 months. As the cost of their proposed package is about £40 million, it is not unreasonable to suppose that

supporting our amendment represents a cost of about an additional £10 million. As that is so little, I am sure that he can support us.

Mr. Snape: The cost is part of the magic penny that we have heard about. *[Interruption.]* In fact, it is a small part of it and we are grateful to the hon. Member for Bath for that clarification. However, I say to him and the hon. Member for Ettrick, Tweeddale and Lauderdale—

Mr. Moore: Tweeddale, Ettrick and Lauderdale.

Mr. Snape: I will get it right one of these days. If the hon. Gentlemen moved to my constituency—I should be glad to welcome them, although they would have to shed the false doctrines that they have followed for years—and waited until the legal retirement age, they would enjoy free bus and rail travel across the west midlands conurbation. I hazard a guess that that scheme, which was provided and maintained by Labour local authorities in the teeth of hostility from Conservative Governments over the years, is far more generous than those in Bath and Tweeddale, Ettrick and Lauderdale, or whatever that constituency is called.

Before the Liberals go round the country stirring up discontent in such an appalling way and attack hon. Members who merely seek financial clarification of some of their more outrageous proposals, they should sit down with us and work out which parts of the country have the most generous pro-pensioner schemes. It will come as no surprise to them—it will certainly come as no surprise to the Conservative party—that the most generous schemes are in areas that have been controlled by Labour for many years. *[Interruption.]* That includes areas that were involved in what happened last Thursday.

Regardless of what happened then, we are talking about places that are still controlled by the Labour party. We are proud of the way in which we looked after pensioners and gave them travel facilities, and we will take no lessons from the Liberals. Unless the Under-Secretary of State for the Environment, Transport and the Regions, my hon. Friend the Member for Streatham (Mr. Hill), who keeps describing me as his guru—after my last intervention, I am not sure whether I still qualify for that title—has a spare ten million in his back pocket, I suggest he tell the Liberals to get lost and stop indulging in the populism that they love so much, especially at this time of night.

Mrs. Eleanor Laing (Epping Forest): The hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore) spoke of a certain type of discrimination. Although I do not agree with what he said, I see the point that he was making; but I want the Minister to clarify the position relating to a different type of discrimination involving concessionary fares.

Clause 124(1)(a) makes it clear—although I appreciate that there has been no argument about this tonight—that eligible journeys are those between places in a particular travel concession authority area. That is a reasonable point, but I want to ask the Minister about his attitude to people who are in the position of my constituents who live on the edge of greater London. The area referred to, for their purposes, will be Epping Forest or, perhaps, Essex, but not Greater London.

It so happens that most of my constituents who live on the London-Essex border find themselves in an inequitable position. No, iniquitous. Well, an unfair position. *[Laughter.]* It is awfully late; "inequitable" will do.

I know of a case in which the border between Essex and London falls in the middle of a semi-detached house. The pensioner living on one side of the border receives concessionary fares, while the one living on the other side does not. The pensioner who does not receive the concessionary fares is the fortunate one, benefiting—owing to living in my constituency in Essex—from all that Epping Forest district council and Essex county council can provide. I appreciate that the responsibility falls on the local authority as well as the Government to arrange these matters, but I ask the Minister to tell us how the Government view the inevitable unfairness.

I have received many letters from constituents. In their 1998 White Paper "New Deal for Transport: Better for Everyone", the Government announced:

> We will introduce a national minimum standard for local authority concessionary fare schemes".

Only a few months ago, the Deputy Prime Minister made an announcement to the House—in his last transport statement: the one that did not really say anything that he had not said before—that gave the distinct impression that the Government would fund concessionary fares. Pensioners in my constituency who do not benefit from concessionary fares were extremely pleased about that, and wrote to me in droves saying how wonderful the Deputy Prime Minister was to do this. *[Interruption.]* The hon. Member for Bath (Mr. Foster) says "Vote Labour". I am glad to say that last week people did not do so. It is clear why they did not, and I will tell him why. *[Interruption.]* I am sorry. I thought that it was the hon. Member for Bath who said "Vote Labour". Anyway, a Liberal Democrat Member said it. It is a slight change from last week, when Labour Members said "Vote Liberal". Of course, we are becoming used to that: we understand the anti-Conservative alliance, and the reason for it.

12.15 am

I will not stray from the point, despite the lateness of the hour. I ask the Minister to confirm that my constituents have been misled in thinking that the Government were going to fund their concessionary fares. The Deputy Prime Minister got a lot of credit for what he said but he did not mean it. He wanted my constituents to believe that they would benefit considerably from concessionary fares. It now appears that they will not do so. It is a genuine question. I ask the Minister to comment on it.

Mr. Peter Atkinson: At this late hour and briefly, may I press the Minister on the unanswered question that was left over from the Committee when we dealt with concessionary fares: what happens to those authorities that have a token scheme? All this relates to bus or rail travel and to half-priced concessionary fares, but nothing has been said about people such as my constituents who have no access to bus or rail travel.

My local authority, properly, operates a token system because that is fair to all pensioners, regardless of whether they have access to bus or train travel. Many pensioners

[Mr. Peter Atkinson]

in country areas who cannot travel by bus save their tokens and then take taxis to and from the shops because that is the only way that they can travel.

What the Government propose, with money to be put into the scheme for half-price travel, leaves such other schemes high and dry. The Minister said nothing in Committee about what will happen, who will fund those other schemes and how a token scheme will be funded once the new scheme comes in. I hope that, in the last minutes of our debate, he might be able to answer the question that has been troubling pensioners in my constituency.

Mr. Hill: I shall deal first with amendment No. 300. I fear that we find it technically rather strange. Clause 124(3) already provides—I hope clearly—for an individual elderly person to opt for an alternative that the local authority might provide, rather than the statutory minimum. We included that provision because we entirely recognised that some local authorities run schemes based on tokens—exactly the point that the hon. Member for Hexham (Mr. Atkinson)—

Mr. Jenkin: Will the Minister give way?

Mr. Hill: Let me at least tell the hon. Gentleman why we find it a strange amendment and then he can intervene.

We were aware that some local authorities, as the hon. Member for Hexham has pointed out, run schemes based on tokens, which may be used on taxis as well as on buses. Such schemes may be particularly valued by elderly people, even if they do not technically conform with the statutory minimum.

Mr. Jenkin: My amendment provides for someone who uses a scheme that is provided not by their own transport authority—their local authority—but by a consortium of transport authorities, or a passenger transport authority.

Mr. Hill: Let me continue with my explanation of the difficulties that the Government have with the amendment.

To add a provision for an elderly person to be able to opt for an "equivalent" scheme seems to add nothing to the clause. Indeed, the amendment brings in a problem: who is to decide what is "equivalent"? That seems a strange and difficult judgment. It would not be fair to anyone for the Bill to impose the task on them—although another problem with the amendment is that it is silent on who is to decide equivalence. The statutory minimum is what the Bill says it is. The clause allows an individual to opt for an alternative if they prefer it. That seems to provide all reasonable flexibility. Therefore, I do not feel able to accept the amendment.

Amendment No. 146 would equalise the age at which men and women become eligible for concessionary fares. Currently, eligibility is tied to pensionable age, with women qualifying for the state pension at 60, while men have to wait until 65. The hon. Member for—I am delighted to have the opportunity to pronounce this wonderful constituency name—Tweeddale, Ettrick and Lauderdale (Mr. Moore) has expressed very well the view that the age at which people qualify for concessionary fares should be the same for men and for women, and that the common age should be 60, not 65. I certainly acknowledge that view.

I have to say, however, as I said repeatedly in Committee, that I believe that there is another view. It seems to me that it is not unreasonable that the age at which one becomes eligible for financial benefit in the form of a pension should be the same as the age at which one becomes eligible for financial benefit in the form of reduced bus fares. That raises the further issue of whether it is right for that age to be different between men and women. Again, however, I have to give the same reply that I gave in Committee: the issue has been addressed by Parliament, and legislation has already been passed to equalise the two ages.

Mr. Don Foster: It is the same speech.

Mr. Hill: If the hon. Gentleman protests that that is word for word what I said before, let me add a different word. If the hon. Member for Tweeddale, Ettrick and Lauderdale really profoundly disagrees with the proposition that a bus pass should be available at the same time as other benefits to senior citizens, it is up to him and other Liberal Democrat Members to seek to introduce other legislation to equalise—

Mr. Foster: That is what my hon. Friend is trying to do.

Mr. Hill: No; Liberal Democrats should introduce a general provision. We are talking about provisions that would apply across the board and not simply to the exceptional case of bus passes, and equalisation of the two ages would have to be done in primary legislation. The Government stand by the fact that the Pensions Act 1995 states quite clearly that the common age for men and women alike will be 65, and that that will be phased in in 2010 and 2020. In the light of that legislation, I really do not feel that I am able to accept amendment No. 143.

I should deal with the issues raised by the hon. Member for Epping Forest (Mrs. Laing), who dwells on the edge of London. The concessionary fare laws have always been based on the principle of local authority discretion. I am not persuaded that that is so wrong. Local authorities are best placed to take decisions on local transport.

The hon. Lady also raised the funding issue. We have certainly said that local government will be reimbursed by us for the costs of the statutory minimum.

I am afraid that that is all rather bad news for Opposition Members.

Mrs. Laing *rose—*

Mr. Hill: However, I have glad tidings for the House: I shall give way to the hon. Lady.

Mrs. Laing: I thank the Minister very much for giving way, and for answering my question directly. The point, however, is that the Deputy Prime Minister has given the impression to my constituents that concessionary fares would be funded by the Government. Can the Minister

tell my constituents that the Deputy Prime Minister definitely gave them the wrong impression, and that there will be no funding from the Government?

Mr. Hill: The idea of my right hon. Friend the Deputy Prime Minister giving the wrong impression is, of course, a contradiction in terms. He did not do so. Moreover, the fact is that the Government are funding the concessionary bus scheme at half the level of bus fares, and we mean to go further.

Amendments Nos. 187 and 188 make our proposals for the statutory minimum standard scheme more generous, and will make it more widely available to those who can least afford to travel. The amendments propose that the travel pass for the half-fare scheme on local buses will be free of charge instead of having a maximum charge of £5, as in our original proposal. We estimate that an extra 2.2 million pensioners will benefit from the change. The extra cost is estimated at £14 million, and that sum will be added to the revenue support grant available to local authorities on the same basis as the cost of the original half-fare proposal. That constructive change shows our continued commitment to an inclusive society and to making travel opportunities more widely available. I commend it to the House.

Mr. Jenkin: I was expecting an intervention from the hon. Member for West Bromwich, East (Mr. Snape), accusing the Minister of cheap populism. It would have been churlish for him to do so, but it would suggest that there may be a double standard. He accused the Liberal Democrats of cheap populism; usually they are guilty of extravagant populism. The populism of the Government is a good deal more economical than that of the Liberal Democrats.

The proposal provides for an alternative to the travel concession authorities scheme if it is a scheme that is provided by way of section 93 of the Transport Act 1985. It does not provide for an alternative that is provided by some other means. If somebody is receiving a discretionary travel concession by some other means, the proposal does not provide an exclusion. I wonder whether the Minister could explain that—perhaps at another time. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 125

MANDATORY CONCESSIONS: SUPPLEMENTARY

Amendment made: No. 187, in page 73, line 29, leave out from "124(1)" to end of line 36 and insert—

'(2) A travel concession authority must not make any charge for the issue of a travel concession permit.'.—*[Mr. Robert Ainsworth.]*

Clause 130

MANDATORY CONCESSIONS IN GREATER LONDON

Amendment made: No. 188, in page 76, line 44, leave out from "section" to end of line 8 on page 77 and insert—

'243, after subsection (5) insert—

"(6) No charge may be made for the issue to a person to whom subsection (1)(b) of section 242 above applies of a travel concession permit relating to the concession specified in subsection (8) of that section.".'. —*[Mr. Robert Ainsworth.]*

Clause 131

AGREEMENTS PROVIDING FOR SERVICE SUBSIDIES

Amendments made: No. 189, in page 77, line 20, leave out "current".

No. 304, in page 77, line 21, after "of" insert "traffic congestion,".

No. 190, in page 77, line 22, leave out "current".

No. 191, in page 77, line 25, leave out from "their" to end of line 26 and insert "bus strategy;".

No. 192, in page 77, line 28, leave out—

'current bus strategy (within that meaning)'

and insert "bus strategy".

No. 193, in page 77, line 31, leave out—

'current bus strategy (within that meaning)'

and insert "bus strategy".—*[Mr. Robert Ainsworth.]*

Clause 132

GRANTS TO BUS SERVICE OPERATORS

Amendments made: No. 194, in page 77, line 45, after "State" insert—

'with the approval of the Treasury'.

No. 195, in page 77, line 46, leave out—

', with the approval of the Treasury,'.

No. 196, in page 78, line 1, after "State" insert—

'with the approval of the Treasury'.

No. 197, in page 78, line 2, leave out—

', with the approval of the Treasury,'.

No. 198, in page 78, line 6, leave out from "as" to end of line 8 and insert "may be determined by—

(a) the Secretary of State with the approval of the Treasury (as respects England), or

(b) the National Assembly for Wales (as respects Wales).'.—*[Mr. Robert Ainsworth.]*

Clause 134

NON-METROPOLITAN TRANSPORT GRANTS

Amendments made: No. 199, in page 79, line 2, after "State" insert—

'with the approval of the Treasury'.

No. 200, in page 79, line 3, leave out—

', with the approval of the Treasury,'.

No. 201, in page 79, line 14, leave out from "as" to end of line 15 and insert "may be determined by—

(a) the Secretary of State with the approval of the Treasury (as respects England), or

(b) the National Assembly for Wales (as respects Wales).'.—*[Mr. Robert Ainsworth.]*

Clause 138

PART II: REGULATIONS AND ORDERS

Amendment made: No. 202, in page 80, line 26, after "Part" insert—

'(whether alone or jointly with the National Assembly for Wales)'.—*[Mr. Robert Ainsworth.]*

Clause 140

INTERPRETATION OF PART II

Amendments made: No. 203, in page 81, leave out lines 4 and 5.

No. 204, in page 81, line 9, at end insert—

' "London transport authority" means the Greater London Authority, a London borough council or the Common Council of the City of London,'.—*[Mr. Robert Ainsworth.]*

Schedule 10

MINOR AND CONSEQUENTIAL AMENDMENTS ABOUT LOCAL TRANSPORT

Amendments made: No. 305, in page 184, line 30, at end insert—

'( ) In subsection (6), for the words following paragraph (b) substitute "to have regard to a combination of economy, efficiency and effectiveness.".'.

No. 205, in page 184, line 31, leave out—

'current bus strategy (within the meaning of section 95(2) of the Transport Act 2000)'

and insert "bus strategy".

No. 206, in page 185, line 2, leave out—

'In section 1 of the Road Traffic Regulation Act 1984'

and insert—

'The Road Traffic Regulation Act 1984 has effect subject to the following amendments.

6A. In section 1'.

No. 207, in page 185, line 11, at end insert—

'6B.—(1) Paragraph 27 of Schedule 9 (variation and revocation of orders) is amended as follows.

(2) In sub-paragraph (1), for "sub-paragraph (2)" substitute "sub-paragraphs (2) and (3)".

(3) After sub-paragraph (2) insert—

"(3) Where an order is required for the provision of facilities pursuant to a quality partnership scheme made under Part II of the Transport Act 2000 by more than one authority—

(a) it may not be varied or revoked by virtue of this paragraph by the Secretary of State or the National Assembly for Wales unless he or it has consulted the other authority or authorities who made the scheme, and

(b) it may not be varied or revoked by virtue of this paragraph by any other authority without the consent of that other authority or those other authorities.".'.

No. 208, in page 185, line 14, leave out from beginning to "paragraph" and insert—

'(1) Section 26(1) (conditions attached to PSV operator's licence) is amended as follows.

(2) In'.

No. 209, in page 185, line 15, after "2000" insert—

'(3) After that paragraph insert'.

No. 306, in page 185, line 25, at end insert—

'( ) In subsection (7), for the words from "so to conduct" to the end substitute "to have regard to a combination of economy, efficiency and effectiveness.".'.

No. 210, in page 185, line 26, leave out "current".

No. 307, in page 185, line 27, leave out "subsection (8)" and insert "that subsection".

No. 211, in page 185, line 28, leave out "current".

No. 212, in page 185, line 30, leave out from "their" to end of line 31 and insert "bus strategy;".

No. 213, in page 185, line 33, leave out—

'current bus strategy (within that meaning)'

and insert "bus strategy".—*[Mr. Robert Ainsworth.]*

Further consideration adjourned.—*[Mr. Robert Ainsworth.]*

Bill, as amended in the Standing Committee, to be further considered tomorrow.

Crimestoppers

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

12.28 am

Mr. Bob Russell (Colchester): While sensible, law-abiding citizens—but not politicians and criminals—are safely tucked up in bed, it is reassuring to know that Crimestoppers is available around the clock in the constant fight to tackle crime.

The title of this debate, as listed on the Order Paper, needs clarifying. It would be more accurate if it read that Government support was needed for Crimestoppers. Astonishingly, Crimestoppers does not receive any financial support from the Government. It is a charity, funded in the main by donations and fund-raising events. Yet its success rate in bringing criminals to justice is such that, if it received supplementary financial backing, even more would be arrested.

The Minister of State, Home Office (Mr. Charles Clarke): Does the hon. Gentleman agree that it is unfortunate that the Conservative Front Bench is vacant during this important debate—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. It is not in order for the Minister to make such an observation. Adjournment debates are the personal property of the hon. Member who is putting forward a subject. These are not general debates involving all Members of the House; they are between the hon. Member moving the motion and the Minister replying.

Mr. Russell: Thank you, Mr. Deputy Speaker.

The Crimestoppers Trust, with its national phone number of 0800 555 111, operating 24 hours a day, is the catalyst acting between business, the media, the community and the police to help to reduce crime, and it is doing just that.

Crimestoppers is now in its 12th year and covers the whole country, through 29 regions. Crimestoppers solves crimes that other methods cannot reach. It provides a safe and confidential means of identifying criminals. Intelligence and observation from members of the public, made anonymously, can lead to the apprehension of criminals who might otherwise escape detection. It means that people can report criminal activity without any fear for their own safety.

The statistics behind the Crimestoppers success story are amazing. In a reply to a parliamentary question that I tabled recently, I was told that, last year, as a direct result of people phoning Crimestoppers, a record 5,300 people were arrested and charged. The Crimestoppers organisation tells me that, in a large number of cases, the police had no previous knowledge of the criminal, or, if the person was known, he had not been connected with the crime reported by the caller.

Last year, calls to Crimestoppers led to the conviction of 38 people for murder, 22 for attempted murder, 13 for rape and 18 for sexual assault. Convictions for robbery totalled 202, for assault 181, for burglary 338, for firearms 28, for handling stolen goods 209, for arson 34, for theft 410, for vehicle crime 667, for fraud 141 and for various other offences 691.

The biggest single category was drugs, with 2,308 convictions. That is a matter to which Crimestoppers has given special attention with its SNAP—"Say no and phone"—campaign. The same number is involved: 0800 555 111. People are encouraged to phone with information about drug dealers. In one case, the Crimestoppers guarantee of anonymity led to the seizure of cocaine worth more than £200,000.

Since Crimestoppers was established, about 34,000 people have been arrested and charged with various crimes, ranging from murder and other serious assaults to drug dealing and theft. More than 300,000 anonymous calls have been made and property worth more than £42 million has been recovered. On average, each week, stolen property worth almost £60,000 is retrieved. In one case, a call to Devon and Cornwall Crimestoppers led to the arrest of three people responsible for several burglaries and to the recovery of 44 firearms.

Following the murder of a man in a midlands pub, one call to Crimestoppers named the two culprits. In the west country, a man was charged with five offences of indecent assault and gross indecency against young children after a call to Crimestoppers gave the only lead. Drug dealing from a Birmingham house was brought to the notice of the police thanks to a call to Crimestoppers. Those examples—and many more—prove the value of Crimestoppers and illustrate how much more could be achieved.

Tackling car theft is another area in which calls to Crimestoppers can lead to criminals being arrested. Vehicles with a combined value in excess of £1 million have been recovered thanks to tip-offs associated with the SMART—stop motor crime and ring today—campaign. Again, the same national freephone number is used: 0800 555 111. In the north of England, one call led to a person who admitted more than 500 offences of stealing cars.

Smuggling of tobacco and alcohol is a growth industry, with millions of pounds of revenue lost every year. The Tobacco Alliance, which represents many of the UK's 26,000 independent retailers of tobacco—mainly corner shops and newsagents—estimates that as much as 80 per cent. of the roll-your-own tobacco consumed in this country has been smuggled. For cigarettes, the figure is put at 25 per cent. and rising every year. As well as threatening small businesses, the illegal trade leads to under-age sales. The same thing happens with smuggled alcohol.

The alliance recommends Crimestoppers as the most effective way of reporting tobacco-related crime. Crimestoppers works in partnership with Customs and Excise in tackling the bootleggers, and its work has resulted in significant recoveries of smuggled tobacco and alcohol. The lost revenue is huge. Investment in Crimestoppers would more than pay for itself with the increase in the number of criminals who would be identified. For example, one tip-off led to five people being arrested. It was estimated that they had evaded some £750,000 in duty. Given the obvious benefits that Crimestoppers has proved it has in bringing the identity of criminals to the police, would not its success be greatly enhanced—with even more criminals being arrested—if the Government provided funds to extend the operation, including greater publicity, which is so vital?

Mr. Tony Colman (Putney): Obviously I am pleased with the hon. Gentleman's paeon of praise for

[Mr. Tony Colman]

Crimestoppers, which is based in my constituency. Will he join me in the hope that, when the Minister visits Crimestoppers on 22 May, he will see for himself its excellent work and consider providing further funding?

Mr. Russell: I thank the hon. Gentleman for that intervention. I am sure that the Minister will be well briefed when he visits the hon. Gentleman's constituency and that Crimestoppers will benefit as a result of that visit.

Backing from the media is crucial to publicising Crimestoppers. Newspapers, radio and television are to be congratulated and thanked for what they do. For example, tonight's issue of the Colchester-based *Evening Gazette* carries a report of a man who was shot in the face with an air gun. The final paragraph says:

> Detectives hunting the gunman have appealed for anyone with information to contact them on Crimestoppers 0800 555 111.

Much more needs to be done to publicise Crimestoppers so that its number becomes as familiar as 999. Advertisement hoardings and more permanent poster displays should feature the number. It could also be included, at minimal cost, in Government publications and other public literature, and on the vast range of forms that people are required to fill in during the course of the year. An excellent example was set by Post Office Counters when it launched a campaign to tell the 28 million people who visit post offices each week about Crimestoppers. That is another reason for retaining the nationwide network of post offices.

Despite what has been achieved so far, research has shown that only a quarter of the population understand Crimestoppers. It is hoped that this will be improved by, for example, developing strategies within crime and disorder partnerships.

Using Crimestoppers is an easy way of talking to the police informally and anonymously. Every day, hundreds of people call Crimestoppers to help the police solve many crimes, not just the most serious ones. It is highly successful and proves that it is possible to do something to make society safer.

A person who phones Crimestoppers on 0800 555 111—from anywhere in the country—will not be asked for their name, address or phone number. The police will not seek to contact the person who has phoned. If people say that they want to phone again, or perhaps claim a reward, they are given a code number.

The director of Crimestoppers, Mr. Digby Carter, told me about a survey in Stockport, Greater Manchester, which revealed that the fear of intimation was so severe that 83 per cent. of residents said that it would prevent them from providing information directly to the police. However, the same survey reported that 76 per cent. said that they would use Crimestoppers.

Research has shown how important Crimestoppers information is in preventing crime as well as solving it. Indeed, research by the Vauxhall centre for the study of crime at the university of Luton shows that more than 40 per cent. of crimes revealed would not even have come to the notice of the police but for Crimestoppers. In nearly two-thirds of cases, offenders disclosed by Crimestoppers callers were previously unknown to the police—or known, but not suspected of the offence in question.

The Luton survey concluded that information provided anonymously by the public to Crimestoppers solves crimes at a rate likely to be the envy of police officers in general. In 63 per cent. of the cases the information provided to the police by Crimestoppers was crucial to the crime's detection, and in a further 27 per cent. it was useful.

Senior development fellow Mr. Alan Marlow, who conducted the research, commented:

> Our research shows that Crimestoppers is highly productive. For example, each individual in one of the Crimestoppers Offices was responsible during the year for the apprehension of over 100 offenders not suspected of the offences in question.

On behalf of the Association of Chief Police Officers, Deputy Assistant Commissioner Bill Griffiths of the Metropolitan police said of the survey:

> Crimestoppers, with its guarantee of anonymity, and therefore safety from reprisals, does add real value to the work of the Police. The Police are clearly right to make a commitment to Crimestoppers. It is a best value operation, and we want to see its use increased still further.

Let me stress again that Crimestoppers is a charity. It has limited resources. The staff to volunteer ratio is 1:20. Each Crimestoppers arrest costs the trust £200, and there are 14 of those every day. Real support from the Government—not just warm words—is necessary if the Crimestoppers success story is to continue to develop.

A reward, paid anonymously, and without police involvement, is available to those who provide information that leads to an arrest and charge, but very few people ask for one. Last year, rewards represented only 2 per cent. of Crimestoppers' expenditure. Only six in every 100 callers who would qualify for a reward from the Crimestoppers Trust seek it.

Crimestoppers is not only of considerable value to the police in solving crime, it is also highly cost-effective so far as the taxpayer is concerned. The need for Crimestoppers has never been greater. Spending cuts in the police service and a reduction in the number of police officers mean that every effort must be made by the community to help in the fight against crime. Crimestoppers is already playing an active role in doing this.

For a relatively modest contribution to supplement the work of Crimestoppers, I urge the Government to meet with officials of the Crimestoppers Trust to see what level of aid is required. I gather that such a meeting is to take place soon. Last year, it cost £1,648,000 to operate Crimestoppers—the equivalent of the salaries of four premier division footballers. A pound for pound matching grant would more than pay for itself in the increase in the number of criminals brought to justice and the effect that it would have on preventing crime.

I hope that this early morning debate will make more people aware of the excellent work that Crimestoppers does. For those who need reminding, the number is freephone 0800 555 111.

12.42 am

The Minister of State, Home Office (Mr. Charles Clarke): I must first apologise for my earlier remarks, which I acknowledge were out of order.

I am very grateful to the hon. Member for Colchester (Mr. Russell) for obtaining this important debate on Government support for Crimestoppers. As he will

acknowledge, many Members of the House are engaged with Crimestoppers campaigns in their areas—indeed, I have been involved in launching various initiatives in my area. I am delighted that the hon. Gentleman has brought this matter to the attention of the House.

It is important to emphasise the statistics involved. According to information supplied by the Crimestoppers Trust, the number of people arrested and charged for each of the past five years as a result of information supplied to Crimestoppers was as follows: in 1995, 3,355 people were arrested and charged; in 1996, 4,347 people were arrested and charged; in 1997, 4,726 people were arrested and charged; in 1998, 5,169 people were arrested and charged; and in 1999, the figure was 5,300.

The 5,300 arrests in 1999 were for very serious crimes, as the hon. Gentleman implied. Some 38 were for murder, 22 for attempted murder, 13 for rape, 202 for robbery, 181 for assault, 338 for burglary, 28 for firearms offences, 209 for handling stolen goods, 2,308 for drugs—a point that the hon. Gentleman made—34 for arson, 410 for theft, 667 for vehicle crime, 18 for sexual assault, 141 for fraud and 691 for other crimes. The hon. Gentleman has drawn attention to that substantial record of achievement in sponsoring this debate, for which I am grateful.

As the hon. Gentleman said, my officials are in regular and constant touch with Crimestoppers. I will be visiting the Crimestoppers Trust head office in Putney on 22 May. I take this opportunity to pay tribute to the work done by my hon. Friend the Member for Putney (Mr. Colman) in dialogue with myself and others and, more widely, in promoting the work of Crimestoppers, which is very important.

The hon. Member for Colchester referred to several Crimestoppers campaigns—I shall focus on two of them. The first is the SMART campaign—"Stop motor crime and ring today". With that campaign, Crimestoppers has made a valuable contribution to the fight against vehicle crime—an activity that accounts for 20 per cent. of all recorded crime and costs us at least £3 billion a year. It is encouraging to see from statistics produced by Crimestoppers that, in 1999, the campaign resulted in 667 people being arrested and charged with vehicle crime offences—a 30 per cent. increase on the previous year. I welcome the success of that campaign.

The SNAP—"Say no and phone"—and "Rat on a Rat" campaigns to which the hon. Gentleman also referred are an important element of the work of Crimestoppers. The Government are also committed to a reduction in the misuse of illicit drugs and in associated crime. Two of the main aims of our anti-drugs strategy—"Tackling drugs to build a better Britain"—are to protect our communities from drug-related anti-social and criminal behaviour and to enable people with drug problems to overcome them and to live happy and crime-free lives.

The police give a high priority to tackling drug-related crime and to reducing street dealing. They recognise the added value of involving other partners, such as Crimestoppers, in tackling those aspects of crime.

The SNAP campaign urges people to inform Crimestoppers anonymously if they know of anyone who regularly supplies drugs or commits any drug-related crime. It success is greatly encouraging—I gave some of the statistics earlier.

Another excellent example of the collaborative approach was the Metropolitan police's Operation Crackdown. That was co-ordinated with Crimestoppers and included an advertising campaign urging the public to "Rat on a Rat" by calling Crimestoppers. The organisation received more than 2,000 calls—300 pieces of intelligence were generated.

The success of "Rat on a Rat" demonstrated not only that the public want action against drugs, but the benefits to be reaped from involving Crimestoppers in police operations targeting such criminal activity. It highlights partnership at its best.

There is scope for the forging of closer links between Crimestoppers and other voluntary sector organisations working towards crime reduction—such as the National Neighbourhood Watch Association, Crime Concern, Victim Support and the National Association for the Care and Resettlement of Offenders. I should like such links to be developed further.

On 13 April, I chaired a meeting to which I invited representatives from those organisations and Crimestoppers to discuss the possibility of their working more closely, with Government support, to develop a clearer strategic approach, with the overall objective of helping to reduce crime and disorder. We felt that the ambition of crime and disorder partnerships should be to nurture those organisations in local communities. There were instances of them working together on an ad hoc basis, but we believe that there is significant potential to increase such links.

The active community element reflected in the different orientations of those organisations brings together people who could be more effectively associated in the campaign to strengthen their communities against the criminals in their midst. That would be positive for all of us. We are working hard on that matter, although there is no intention to deprioritise the contribution of Crimestoppers or of any of the other organisations. When they all work together, the sum of their parts is greater than the whole.

In that context, the National Neighbourhood Watch Association is organising a seminar on 7 July. We hope that representatives from that wide range of organisations will be able to consider ways of creating the closer links to which I have referred so as to reduce crime and disorder. We hope to produce papers setting a framework for achieving that closer co-operation, nationally and locally, for consideration at the conference.

Mr. Russell: Will the Minister say how many of the other organisations that he mentioned receive Government financial support?

Mr. Clarke: I shall come to that well-made point shortly.

Although voluntary sector organisations generally support the idea of more strategic link-up and although some have expressed concern that they might not have sufficient resources to reach out to other organisations, a significant role can be played by considering in a co-ordinated fashion what national support we offer them. I do not have the figures for which the hon. Gentleman asked, but the Government directly support the other organisations, such as NACRO, neighbourhood watch, Victim Support and Crime Concern, that I mentioned.

We set up the seminar on 13 April because we believe that we should think much more coherently about the support that we give to all the organisations that work to develop an active community. Perhaps I should confess

[Mr. Clarke]

to the hon. Gentleman that I was tempted to announce a grant to Crimestoppers tonight, because I acknowledge that there is a strong case for giving it financial support. I am not announcing that grant in response to this debate not because we have any questions about Crimestoppers, which we value and esteem, but because we want to ensure that we have a coherent approach for all the organisations, so that they work together on the framework.

I can reassure the hon. Gentleman and my hon. Friend the Member for Putney that we are committed to supporting Crimestoppers financially in the same way that we are committed to supporting the other organisations. However, we are keen to ensure that the Home Office does not provide a bit of money here or a bit of money there to the range of different organisations. With them, the Home Office should consider properly how to provide support so that we can maximise its impact.

We are not imposing a policy on the organisations. Neighbourhood watch, NACRO, Crime Concern, Victim Support and Crimestoppers, with which I have had a constructive dialogue, all recognised at the seminar on 13 April that they, as well as the general crime reduction initiative, will benefit if we can co-ordinate our efforts. I hope that the hon. Gentleman will accept that, although I am not being gracious enough to offer Crimestoppers X amount of money as a result of this debate, I acknowledge the major contribution that it and the other organisations can make. We shall provide funding in that context.

I mentioned the seminar that will take place in July. At that seminar, I hope that we shall reach conclusions about precisely what form of support should be offered and how it should be provided. Although support from headquarters is important, we should try to ensure—by using the web and electronic and other means—that organisations throughout the country make a greater impact by working together in the communities where that is most important.

I can say particularly bluntly at this time of night that some of the organisations compete for members and in their activities and commitments. None of them want to do that—that is not their ambition—because they want to work together. The Government have a catalytic role to play that they have not played in the past. That is why we held a seminar on 13 April and will hold a conference on 7 July. I hope that, through those meetings, we will be able to construct a coherent approach to all these issues.

At the meeting on 13 April, it was decided that there should be two further meeting with officials and representatives—on 12 May and 12 June—to draw up papers commissioned for the seminar on 7 July. Contributions will address several subjects. The first is how best to achieve close co-operation between the relevant organisations at national and local level and the second is consideration of the forms of support, including training, that the organisations need. As we involve volunteers so much, training is important.

The third subject is what business involvement is most useful. Several business organisations contribute, in different ways, to Crimestoppers and other bodies, and are often unaware of how best to focus their energy. We can help in that regard. The fourth issue is what are the best sources of information and how that information should be disseminated, hence the points that I made about the web. The fifth serious matter is the Home Office funding arrangements, which the hon. Gentleman raised and which others have mentioned.

The Home Office intends to provide papers, on the basis of information received, to set out a framework for a much more co-ordinated approach by voluntary sector organisations. Those papers will be considered at the conference on 7 July. I know that the hon. Gentleman's comments will be given full consideration at that event.

I know that the hon. Gentleman, like my hon. Friend the Member for Putney and myself, is a strong, committed supporter of Crimestoppers, but he knows that organisations such as neighbourhood watch, Victim Support and Crime Concern can make a major contribution. He will agree that everything that we can do to get such organisations working together is positive, and I know that he will encourage such co-operation.

As I said, I was tempted to make an announcement about the funding that we will provide for Crimestoppers, but I did not do so because we have been considering carefully the request for financial support from the director of the Crimestoppers trust. We have considered the application in the context of how we can best deploy our resources to reduce crime. We hope shortly to make a decision in the wider context of drawing up the strategic framework.

Crimestoppers can be confident that because it has a long track record, to which I have already referred, it will be well funded, but I shall not give the hon. Member for Colchester the gratification, if that is the right word, of saying that I will give him X amount of cash this evening. I know that he will join me in urging Crimestoppers to work with other organisations concerned with building an active community.

My request for the hon. Gentleman's support is gratuitous because Crimestoppers itself is entirely committed to that end. Developing an active community is very important to us, and I am grateful to the hon. Gentleman for securing this Adjournment debate and airing some of the issues. I am especially grateful to my hon. Friend the Member for Putney for his consistent campaigning with me and others on behalf of Crimestoppers. I hope that I have set out the Government's approach on these important matters.

Question put and agreed to.

Adjourned accordingly at two minutes to One o'clock.

House of Commons

Wednesday 10 May 2000

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

CITY OF LONDON (WARD ELECTIONS) BILL (*BY ORDER*)

Order for further consideration, as amended, read.

To be further considered on Monday 15 May.

Oral Answers to Questions

CABINET OFFICE

The Minister was asked—

Civil Service (Ethnic Minorities)

1. **Mr. John Smith** (Vale of Glamorgan): What measures she is taking to tackle the under-representation of ethnic minorities in the civil service. [120432]

The Parliamentary Secretary, Cabinet Office (Mr. Graham Stringer): The Government have a strong commitment to equal opportunities. It is our determination that the public sector is fully representative of the community of the whole of the United Kingdom. To that end, we have set targets at all levels of the civil service and in all Departments. Recently, Mr. Museji Ahmed Takolia has been taken on as a senior adviser on equal opportunities and particularly on the recruitment of people from ethnic minority communities.

Mr. Smith: I greatly welcome my hon. Friend's reply and especially the appointment of a senior adviser to oversee these matters. Does my hon. Friend agree that there is an important role in going to schools throughout the country to try to recruit youngsters from ethnic minorities into the civil service? Does he also agree that we should target recruitment in certain regions of the United Kingdom? In evidence to the Welsh Affairs Committee, it was pointed out that, in south Wales, which has one of the oldest black communities in the UK, integration in public service and the civil service is not satisfactory. It would be helpful if we targeted resources accordingly.

Mr. Stringer: I thank my hon. Friend for that question. I agree completely that there is a responsibility on all Ministers, Members of Parliament and people in official positions to explain how young people from schools and universities can gain access to the civil service. There is also a responsibility to ensure that, when people from ethnic minorities gain access to jobs in the civil service, it is seen as a fair and just place for those people to work. Last year, a careers fair was organised entirely for the purpose of attracting ethnic minorities into the civil service. It was extremely well attended—by 1,500 people in all. That fair will be repeated this year.

Mr. Eric Forth (Bromley and Chislehurst): Will the Minister guarantee that only those with the appropriate skills and qualifications will be recruited to and promoted in the civil service?

Mr. Stringer: It is clearly this Government's policy that people who are appointed will be the best for the job. The same will apply to promotion. Statistics, particularly in respect of the top of the civil service, show a certain amount of unfairness. People from different communities in this country are not being attracted into those jobs. We must proactively do something about that without discriminating in the other direction.

Anti-drugs Strategy

2. **Mr. Jim Murphy** (Eastwood): What recent discussions she has had with the UK anti-drugs co-ordinator on measures to tackle drug abuse. [120433]

The Minister for the Cabinet Office (Marjorie Mowlam): I hold regular meetings with the anti-drugs co-ordinator to discuss all aspects of Government policy.

Mr. Murphy: I am sure that my right hon. Friend accepts that too many young people use and experiment with drugs. Is she aware of the recent editorial in *The Daily Telegraph*, which stated that the Government should

> experiment with legislation to legalise cannabis?

Such a solution may make sense in the cosy confines of the offices of the editor of *The Daily Telegraph*, but it would not resolve the real-life problems of families throughout the country. Will she reassure me and my constituents that, in discussions on anti-drugs strategy, there will be no consideration whatever of changes to drugs legislation?

Marjorie Mowlam: The Government have made their position clear on cannabis and ecstasy in response to the recommendations of the recent Police Foundation report: no change. However, I always believe that there is room for discussion and debate on such issues; that is part of a good, open, democratic society. We shall, of course, consider—as we are now—many of the recommendations of the Police Foundation, and we hope to make many of them active policy very soon. We have a 10-year strategy that has four parts: treatment, stopping availability of drugs, prevention and working particularly with young people. I hope that my hon. Friend welcomes that.

Dr. Jenny Tonge (Richmond Park): When will the Government stop making criminals of people with long-term neurological disease and painful terminal illnesses, and allow the use of cannabis for medical purposes?

Marjorie Mowlam: We are examining that. We have scientific research that is close to completion, and research

is also being done on synthesising particular constituents of the cannabis plant to make substances available that are not cannabis. I cannot give the hon. Lady a direct answer on when, but like her, I hope that it will be soon.

Mr. Nigel Evans (Ribble Valley): Does the Minister agree that one way that we can get the message across is by getting to young people at a very early stage, as Life Education does in Lancashire, where it has three Rotary-sponsored vehicles—and is about to get a fourth—that go around primary schools? Will the Minister send congratulations on those efforts?

Now and again, rock musicians such as Cerys Matthews come out with irresponsible messages to magazines such as *New Musical Express*. What action can be taken to ensure that we hear responsible messages from rock stars, so that they serve as examples to young people, showing that they can enjoy themselves without the dangers of drugs?

Marjorie Mowlam: I believe that education is an essential part of prevention in relation to drugs. We are working hard with education authorities and schools. Well over 60 per cent. of primary schools and well over 90 per cent. of secondary schools provide some education about drugs, and progress is being made.

Pop stars are individuals and make their own choices in life. I am not about to start dictating to them what they should say in public. However, I think that mentoring makes a difference; it helps. If people go into schools and speak about what they have done in their lives, that is extremely useful, whether they are ex-football players, ex-policemen or, God forbid, ex-Members of Parliament. All that helps, from both men and women. When I go round schools now, I notice that the girls asking the questions are confident. I think that the boys need more role models. I ask the hon. Gentleman to visit the schools in Lancashire.

Dr. Brian Iddon (Bolton, South-East): Is the UK anti-drugs co-ordinator working closely with the rough sleepers initiative to encourage drug misusers to come off our streets, hopefully into treatment programmes? Is my right hon. Friend aware that the Winter Comfort case in Cambridge is causing great concern among those working with rough sleepers? Will the Government please give guidance to field workers?

Marjorie Mowlam: I can reassure my hon. Friend that the drug unit and the social exclusion unit rough sleepers initiative work closely together, because many rough sleepers are exposed to drugs and some become addicts. To realise the extent of the problem, one has only to walk home from this place late at night and see the homeless being propositioned by drug pushers.

On the second part of my hon. Friend's question, I agree that the Winter Comfort problem in Cambridge is a difficult issue. It is hard for me to comment in detail, because it is still under legal review. *[Interruption.]* I assure my hon. Friend that we are watching the court case and will study the options that are open afterwards. As always is the case, I am not sure that we have all the facts, but the problem needs to be addressed. We have looked at how it is dealt with in other countries to learn from them what we could put in place in this country.

3. **Mrs. Ann Winterton** (Congleton): What is her policy on the use of the media in the delivery of the Government's anti–drugs strategy. [120435]

The Minister for the Cabinet Office (Marjorie Mowlam): The Government's anti-drugs communications strategy is co-ordinated by Keith Hellawell and his team. Resources for communications form part of the funding for the drug prevention action service and local drug action teams so that they can tailor publicity to local needs. Work is also being done nationally through the Health Education Authority. We welcome the work of the Metropolitan police through their "Rat on a Rat" campaign, which is yielding results in London.

Mrs. Winterton: Since the publication of the Broadcasting Standards Commission report, "Knowing the Score", which was published with the British Board of Film Classification, has the right hon. Lady met representatives of the BBC and the Independent Television Commission to discuss the glamorising of drug use in fictional and factual programming, and the gratuitous coverage of drug use on the news? The latter causes particular anxiety.

Marjorie Mowlam: I have not met representatives of the BBC or the ITC, but we have examined high-profile campaigning and the use of images of drug takers in the media. Our results show that while such high-profile coverage does not help, it does not hinder as much as many people believe.

Mr. Paul Flynn (Newport, West): Should we not congratulate Fulcrum television, which set up a commission on drugs and, like the Police Foundation, visited many parts of the world, and reached precisely the same conclusion? It was "impressed" that, after 20 years of decriminalisation in Holland, less cannabis is used, and in safer forms, by all generations in the Netherlands than in Britain. We should start telling the truth about the success of decriminalisation in the Netherlands and stop misrepresenting it.

Marjorie Mowlam: As I said earlier, we made the Government's position clear in our response to the Police Foundation; I leave it to my hon. Friend to respond to Fulcrum.

Rev. Martin Smyth (Belfast, South): I understand the points that the right hon. Lady has been making. However, I was struck recently by a comment that George Best made in a film about him. He said that drugs were a no-no, after acknowledging his mistakes about other matters. It is important to encourage the media to set more positive examples of life style. It is not enough to claim that they represent reality. As an old friend of mine used to say, rats are a reality, but we do not allow them in the kitchen.

Marjorie Mowlam: I reassure the hon. Gentleman that we are doing everything we can in schools and throughout society to try to get our message on prevention across.

Our research shows that the best way to reach young people is not by dictating to them, but by getting someone—for example, a footballer or a Member of Parliament—to go to schools and youth clubs to talk to them about the problem. That makes a difference, because young people can ask questions and interact with the visitor. However, I do not deny the hon. Gentleman's basic statement. We all agree that just saying no is crucial.

Mr. David Winnick (Walsall, North): Up to now, I have opposed any change in policy, for the reasons that Members of all parties have given. Nevertheless, I have now reached a different conclusion. There should be a wide-ranging debate because the current policy, certainly on cannabis, does not work. It makes criminals or semi-criminals of otherwise law-abiding people. The Police Foundation report will be the subject of a hearing by the Select Committee on Home Affairs in the near future. I hope that my right hon. Friend and members of both Front-Bench teams will listen carefully to the evidence of the chairperson of the Police Foundation on the reasons for its conclusions.

Marjorie Mowlam: I hear what my hon. Friend says. I look forward to the Select Committee report and I welcome debate on the issue.

"Listening to Older People"

4. **Mr. Paul Burstow** (Sutton and Cheam): When the final "Listening to Older People" event will take place; and if she will make a statement. [120436]

The Parliamentary Secretary, Cabinet Office (Mr. Graham Stringer): The Government take listening and responding to older people very seriously. That is why we launched last May our "Listening to Older People" programme. Eleven "Listening to Older People" events took place throughout the country last year. This stage of the programme culminates in a national listening event in London on 17 May, where we will launch a programme of action to respond to the issues raised during the listening programme.

Mr. Burstow: Can the Minister tell the House whether at any of the "Listening to Older People" meetings the question of the wide variation in home-care charges was raised with Ministers? Today, the Audit Commission has revealed the stark reality of exceedingly wide variations of charges throughout the country. It has exposed the fact also that one in three councils are driving pensioners into poverty by their charging policies. What will the Government do about this? Will they announce concrete action at the final conference on 17 May?

Mr. Stringer: Yes, care charges were discussed at the events that took place. The Government will respond later this year to the Audit Commission's report, which was published today, as we will respond to the royal commission report on care later this year.

Ms Linda Perham (Ilford, North): Does my hon. Friend the Minister agree that this series of events proves that we are widening the debate beyond pensions issues for older people and engaging with ordinary individuals? We have already introduced a wide range of measures for older people. Will my hon. Friend comment on the progress of the better government for older people programme?

Mr. Stringer: I thank my hon. Friend for that question. She is right. The 28 pilot projects that arose from the better government for older people programme covered a range of areas of concern for elderly people, from action against crime to better responsiveness by the health service, better transport and precise care for Asian elders in Bolton. The projects are at the end of their natural life, but I suspect that the local authorities that sponsored them will continue with much of the work that was undertaken while the Government assess and evaluate the projects.

Mr. Andrew Lansley (South Cambridgeshire): Does the Minister realise that pensioners do not believe that the Government are listening to them? In the document that launched his programme, the Prime Minister said:

financial security is crucial for older people.

Will the Minister explain why the Government have raised council taxes by more than three times the rate of inflation, abolished the married couples allowance for those becoming pensioners, increased the level of tax on pensioners with modest savings and imposed a £5 billion tax on pension funds for those who will become pensioners?

Mr. Stringer: From my experience of listening to elderly people, they know exactly what the Conservative party did during its time in office. They remember that the Conservative Government removed the link between earnings and pensions and thereby created the greatest diversity of income among pensioners in western Europe. They know also—I am sure that the hon. Gentleman will acknowledge and confirm this—that the Conservatives propose to abolish the minimum income guarantee, which has benefited more than 1 million pensioners, and also oppose the winter fuel payment. They certainly would not have brought those benefits to pensioners had they been in power.

Mr. Lansley: Pensioners will not be diverted by the Minister from their experience of what has happened under the Government. When it comes to experience, will the Minister confirm that one of his 28 pilot projects is in Hartlepool? Will he explain why it makes any sense to have a pilot project of listening to older people in Hartlepool while the right hon. Member for Hartlepool (Mr. Mandelson) is attending Labour party meetings and saying that there is no mileage for the Labour party in pensioners? The consequence of that was a one-third reduction in the Labour vote in Hartlepool last Thursday. That will continue while the Labour party fails to deliver to pensioners.

Mr. Stringer: The pensioners to whom I listened are aware of the damage that the Conservative party has done to pensioners and the damage that it would do if it were ever to return to power. They recognise also that the £6.5 billion that the Government have put into pensioners' pockets would not have reached them had the Conservatives been in power. None of those initiatives would have been taken by the hon. Gentleman's party.

When the Conservative Government were in power, he was more interested in raising charges on eye tests than in making access to the health service free for those tests.

Social Exclusion

5. **Ms Hazel Blears** (Salford): What plans she has to ensure that initiatives to tackle social exclusion work together to integrate their activity with mainstream programmes. [120

The Minister for the Cabinet Office (Marjorie Mowlam): The targets contained in the social exclusion unit's reports on rough sleeping, school exclusion and truancy and teenage pregnancy are included in the relevant Departments' public service agreements. That means that the targets will form an integral part of the mainstream business of each Department. The framework consultation document on the national strategy for neighbourhood renewal proposes that core public services, such as schools, police and health services, should be the Government's main weapon against deprivation.

Ms Blears: I am grateful for that reply, but is my right hon. Friend aware that, in Salford, we have an education action zone, a health action zone, a single regeneration budget programme and the sure start initiative, all of which tackle social exclusion? That can mean that families in crisis are visited by a health visitor, a welfare rights officer, a housing officer and a social worker. One of our ideas is that multi-skilled workers should carry out that range of tasks so that families in difficulty have a single worker who is their advocate and ambassador, helping to improve their lives and ensuring that all the initiatives work for them.

Marjorie Mowlam: I thank my hon. Friend for that example. Many local authorities choose different mechanisms to deliver the policies that now exist for them to implement in their communities. We have cited Salford as an example of good practice, but other authorities use different mechanisms more suited to their communities. We are doing our best nationally to join up the policy targets as well as ensuring that the money available from different Departments goes down to local areas in one go. I am sure that that will make a difference.

On regeneration, some communities and local authorities have community focus and leadership. I firmly believe that there must be a buy-in from the community if those programmes are to work. In communities where that is not happening, we are trying, through the national strategy for neighbourhood renewal, to spread good practice, encourage leadership and make progress in all local communities.

Government IT

6. **Mr. Lawrie Quinn** (Scarborough and Whitby): If she will make a statement on the progress with introducing information technology into government. [120440]

The Parliamentary Secretary, Cabinet Office (Mr. Graham Stringer): On 31 March, we published "e-government"—a strategic framework for public services in the information age. Departments have been asked to set out their e-business strategies by October 2000, with the e-envoy reporting to my right hon. Friend the Prime Minister on the contents and progress in December 2000.

Mr. Quinn: I thank my hon. Friend for that answer. May I urge him in developing Government policy on the information age to have due regard to all those in our society who have difficulties and find information technology a challenge? May I also urge him to ensure that we make use of the possibilities of the new computer platforms that will be available in post offices, especially in rural and suburban communities?

Mr. Stringer: My hon. Friend makes a valid point. E-business and e-government are meant to provide an additional service, not to exclude anyone. While there is a demand for face-to-face meetings, the Government are committed to providing such services. The e-service is an additional service.

Mr. Paul Tyler (North Cornwall): In the distractions of last Thursday, we were unable to obtain a statement on the implications of the love bug computer virus, which is obviously important in the context of the Government's IT programme. Can we be assured that the work that is being done following on from realising the benefits of Y2K will take account of threats from such bugs? When will a statement be placed in the Library on the implications of that virus for government?

Mr. Stringer: The hon. Gentleman makes a valid point. What happened last Thursday with the love bug is being assessed in the Cabinet Office. When that assessment has taken place, it will be possible to make a full statement, except on security matters.

Mrs. Jacqui Lait (Beckenham): Can the Minister tell us exactly when the love bug hit government technology; whether, as in the United States, the Government received any prior warning; and whether they warned business as a result of any such prior warning?

Mr. Stringer: There was no prior warning. The first time that the Cabinet Office knew about the love bug was on the morning of 4 May. We took immediate action, and because of the defences against viruses already in place in the Cabinet Office, less damage and destruction was done to the systems than otherwise would have been.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [120460] **Mr. John Bercow** (Buckingham): If he will list his official engagements for Wednesday 10 May.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Bercow: My constituent Nicole Wanford is raising two young children by herself working for an income of

just over £200 a week. When her employer tried to help her by giving her a bonus of just over £600, the state confiscated £439 in tax and withdrawn benefits. In the light of those facts, does the Prime Minister agree with the Chancellor of the Exchequer, who thinks that the working families tax credit—this massively expensive scheme—will help to eradicate poverty, or with my hard-working constituent who knows that it has made it impossible for her problems to be solved?

The Prime Minister: I obviously do not know about that particular case, but the working families tax credit is helping 1.25 million low-income families. Many of them to whom I have spoken are benefiting by £15 or £20 a week. What they should really know is that its entirety would be scrapped by an incoming Tory Government.

Q2. [120461] **Mr. Eddie McGrady** (South Down): May I express sincere congratulations and thanks from the people of Northern Ireland to the Prime Minister, and to the Taoiseach, for the successful conclusion to their endeavours, not just on Thursday and Friday last, but during the many weeks before?

Is the Prime Minister aware that certain aspects of the new accord did not, of necessity, have the prominence that they should have had? First is the issue of the loyalist paramilitaries putting their weapons beyond use. Does the Prime Minister agree that the weaponry and explosives of the loyalist paramilitaries are just as deadly as those of the IRA? Secondly, is he aware that in Northern Ireland today and every day we are subjected to a daily round of shootings, horrible beatings, intimidation and press gangs that affect ordinary men and women in their houses, in their streets and in their estates? Will he use his best endeavours on both those accounts, and renew his energies to bring those matters to a conclusion? We know from the past that the loyalist and republican paramilitaries who are on ceasefire have control of these issues.

The Prime Minister: I agree entirely with what the hon. Gentleman says. Those beatings are barbaric and have no place in any civilised society. The hon. Gentleman is absolutely right to say that loyalist paramilitary weapons must be treated in exactly the same way as republican weapons. They would do equal damage were they to be used, and not put beyond use as they should be.

I thank the hon. Gentleman for what he said about the continuing peace process in Northern Ireland. I pay tribute to him and his party for their constructive attempts to make this process work. Whatever the difficulties, I still believe that it is the best way forward in Northern Ireland. Despite the beatings, let us never forget that hundreds of people used to be killed in outrages every year, and soldiers used to patrol every part of Northern Ireland. We have made enormous progress already, and with good will on all sides we will get this job done.

Mr. William Hague (Richmond, Yorks): I support all the remarks of the hon. Member for South Down (Mr. McGrady). From this side of the House, we welcome the statement by the IRA and the renewed hope for full implementation of the Good Friday agreement. The eyes of the world will now be on paramilitaries, loyalist and republican, to see that they implement that side of the agreement.

Let me turn to a different subject. Today we have heard alarming reports from Dagenham of an end to 70 years of car production. Will the Prime Minister confirm that in the last Parliament the number of people employed in manufacturing rose by 70,000, whereas under his premiership the net loss of manufacturing jobs stands at 206,000—and the figure is rising?

The Prime Minister: The right hon. Gentleman's opportunism knows no bounds. No sooner has he had to conceal his disappointment at the Rover deal than he leaps on Ford. As for manufacturing jobs, what he omitted to tell the House is that in the first two years of the 1990s, under his Government, 1 million manufacturing jobs were lost.

Mr. Hague: To thousands of people working in manufacturing today, that kind of answer is no longer good enough. Slogans from past elections are irrelevant to the 21st century. Let us hear the actual facts—the actual facts from the House of Commons Library, independently respected. The number of employees in manufacturing in Great Britain has fallen by 206,000 since the general election.

As no senior member of the Government has ever worked in a business, why do they not listen to some people who do? Why does the Prime Minister not listen to his friend Lord Haskins, who says that

> entrepreneurs are being distracted from running and growing their businesses by the cumulative burden of taxation and . . . regulation.

Will the Prime Minister now give the House the figure from the British Chambers of Commerce for the cost of extra red tape and regulation under his Government?

The Prime Minister: Perhaps I could quote something to the right hon. Gentleman about regulation.

> We passed volumes of new rules and laws interfering in almost every aspect of business and social life.

Source? The shadow Chancellor.

As for Ford, the details will be announced on Friday. I do want to deal with that. We will of course do all we can to protect the jobs that can be protected. Thirty-six thousand people are employed by Ford in the United Kingdom, 9,000 of them at Dagenham. We will be there, ready to help, with money, investment and advice for any who do lose their jobs.

Let us be clear: the problem of manufacturers, particularly those selling into Europe, is the current strength of the pound. The problem is not helped by the right hon. Gentleman's attempts to exploit it. Everyone in manufacturing industry remembers the early 1990s, when 1 million jobs were lost, output fell by 7 per cent. and investment fell by 28 per cent., so no one will take lessons from the Conservatives on manufacturing.

Mr. Hague: The actual figure is £10 billion for red tape and regulation. The weakness of the euro is not the only problem of manufacturing industry; the behaviour of the right hon. Gentleman's Government is an additional problem. Why is what Lord Haskins said not written in

that folder that he is always consulting? There must be something in that folder other than "If pressed, waffle for as long as you can."

Given today's reports, coming on top of so many others of recent weeks, is it not the case that unless the Government stop piling extra taxes and regulations on business, more manufacturing jobs will be lost—to add to the 200 a day that have been lost since the Prime Minister took office—and his Chancellor's pre-election pledge that manufacturing industries will grow again will be exposed as yet another promise that he has totally and shamefully betrayed?

The Prime Minister: I note that, on Ford, the right hon. Gentleman has not a single constructive solution to offer. As for manufacturing jobs, many are also being created. In the past few months, jobs have been created at Vauxhall and IBC Vehicles; 1,300 jobs have been created at Nortel, 1,000 at Honda and 1,000 at Quantax.

Yes, there are jobs that will also be lost, particularly in a period of massive economic and structural change. The difference is that this Government, as we did with Rover, stand ready to help people through that process. If it is all right to quote the shadow Chancellor again, he described yesterday, when the problems of the strong pound were put to him, which, in fact, is worrying manufacturing—*[Interruption.]* Conservative Members say it is all a weak euro. Let me quote to them from their shadow Chancellor. He said:

> We have to get used to the idea that a strong currency is not a bad thing. It is a reflection of a strong economy.

Thank you, shadow Chancellor.

Q3. [120462] **Mr. David Stewart** (Inverness, East, Nairn and Lochaber): The Prime Minister will be well aware of the extent of worries about pensioner poverty throughout this country. Will he do his utmost to have a vigorous uptake campaign for the minimum income guarantee and will he look at the group of pensioners who have been thrifty throughout their lives, who have some pension and who have some savings? Will he take on board their needs in the pension review?

The Prime Minister: Yes, we will. Perhaps I should explain that, in this Parliament, we will be spending some £6.5 billion more on pensioner incomes than was forecast by the previous Government. That is, incidentally, £2.5 billion more than the cost of uprating the basic state pension in line with earnings, but what we have done is to try to target as our first priority those who are poorest. One million of the poorest pensioners will be up to £20 a week better off as a result of our changes. Also, the winter allowance, now at £150, is paid tax free to pensioner households and is outside the benefit system, as are the free TV licences for the over-75s, so, again, it helps those in most need, but I entirely agree with my hon. Friend. We now have to ensure that those who are above benefit levels and below income tax levels who have saved all their lives are given the help that they need.

Mr. Charles Kennedy (Ross, Skye and Inverness, West): Will the Prime Minister concur that, of all the various electoral messages that were sent at the last diet of elections at the end of last week, by far the most telling was the verdict of Romsey? *[Interruption.]* Given that that is obviously taken as read, may I say to the Prime Minister that the serious verdict from Romsey was not a party political one? It was a triumph for the politics of hope and the future in our country, as opposed—*[Interruption]* that is all we need to know: just look at them—as opposed to what the Conservatives endeavoured to achieve, which was the triumph of the politics of fear, division and prejudice. That is the issue.

The Prime Minister: First, I congratulate the hon. Member for Romsey (Sandra Gidley) on her victory in that by-election. Secondly—*[Interruption.]* Well, Conservative Members are on about us losing our deposit in that by-election. I would have thought it rather worse to have lost one of the Conservative's safest seats in the entire country. If that had happened to us just before the last election, we would have been slightly concerned, but do not worry—carry on being unconcerned.

In relation to the other issue that the right hon. Gentleman raises, it was a sign of the courage of his own campaign locally that people did not respond to what was a quite irresponsible campaign on behalf of the Conservatives. I am pleased that that was decisively rejected by reasonable people.

Mr. Kennedy: I congratulate the Prime Minister on that reply—I could not have put it better myself. However, will he also acknowledge that what came through loud and clear from Romsey, from voters of all political persuasions and of none, was the genuine feeling—I follow the question just asked by my neighbouring Member, the hon. Member for Inverness, East, Nairn and Lochaber (Mr. Stewart)—that pensioners are getting a raw deal from the Administration? *[Interruption.]* Would the Prime Minister therefore—*[Interruption.]*

Madam Speaker: Order. Mr. Kennedy, speak up.

Mr. Kennedy: Would the Prime Minister acknowledge the legitimate concerns of pensioners in this country who want, in the words of the most recent Labour manifesto, to share increasingly in the increasing prosperity of the nation?

The Prime Minister: I am afraid that, there, the consensus must end, although it was a great relationship while it lasted. On the right hon. Gentleman's point on the basic state pension, I remind him—not just to make a political point, but to make another one which I shall come to in a moment—that the 1997 Liberal Democrat manifesto stated:

> The basic state pension will remain indexed to prices.

It went on to say:

> We will create an additional top-up pension for pensioners with incomes below Income Support level.

That is, of course, the minimum income guarantee. That is precisely what we have done.

We had to decide—as the Liberal Democrats did when they drew up their manifesto—if we are to spend more money, who we help first. The truth is that pensioner incomes in this country are more varied than they were 30 or 40 years ago. If we simply put money on the basic state pension, many pensioners would not necessarily need

that money, but would receive it, whereas some of the poorest pensioners would not receive any help at all. We therefore decided to start with the poorest pensioners first.

The winter allowance—we never even promised to provide it, but we have done so—is paid to everyone. We are now seeing how we can help those other pensioners. However, I make no apology for saying that we started with the poorest first.

Mr. Martin Salter (Reading, West): Will the Prime Minister join me in congratulating the people of Reading not only for their imaginative city centre—which the Minister for Local Government visited last week—but, in common with the people of Romsey, rejecting the Conservative party's right-wing racist claptrap and re-electing their Labour council with a record majority?

The Prime Minister: I am happy to congratulate my hon. Friend and his council. Of course, the almost 900,000 extra jobs in the economy played a part, too.

Q4. [120463] **Mr. John Burnett** (Torridge and West Devon): Events in west Africa emphasise the importance for Britain of naval power. They also emphasise the importance for Britain of retaining its shipbuilding industry. Appledore, in my constituency, has been asked to tender for two new tank-carrying vessels. Will the Prime Minister assure the House that tenders from overseas companies will be carefully scrutinised for subsidies, and that he and the Government will support British shipyards such as Appledore which have a track record of building high-quality ships on budget, on time, every time?

The Prime Minister: Of course we will do what we can to support the shipbuilding industry. Moreover, we will not only do that within the rules, but will ensure that other countries keep to the rules also. I was delighted to hear that Appledore has just been awarded a second contract for a fisheries patrol vessel. My understanding is that a consequence of that order is that Appledore has been able to rescind all 300 redundancy notices that it had to issue when no orders were in prospect. That is excellent news. I congratulate the hon. Gentleman's constituents and the company, and I wish them well in the future.

Mr. Mike Gapes (Ilford, South): Will the Prime Minister join me in paying tribute to our service personnel who, at this moment, are doing such a vital job in Sierra Leone? Does he agree that that crisis and similar crises in other African countries show the increasing need for co-ordinated, stronger United Nations peacekeeping and intervention forces to deal with such problems?

The Prime Minister: I agree with that last remark. Obviously it is important that British troops are in Sierra Leone at the moment to organise an evacuation and secure conditions to ensure the safety of our citizens. The paratroopers, as ever, are carrying out their mission with great efficiency. The evacuation is continuing. It is likely to take several more days—possibly a week—to ensure that our people in the outlying areas are brought to safety. It is right that I should also take this opportunity to condemn completely the activities of Mr. Sankoh and the Revolutionary United Front. It is important that we do everything that we responsibly can to safeguard democracy in Sierra Leone. This country has played a very great part in doing that in the past couple of years and we should continue to do so.

Q5. [120464] **Mr. Jonathan Sayeed** (Mid-Bedfordshire): In the United States, police numbers have gone up and crime has gone down. In the United Kingdom, under this Government, police numbers have gone down and crime has gone up. Why do not the Government fund a really effective police force?

The Prime Minister: The hon. Gentleman is wrong. Crime has fallen under this Government. What is more, the previous Government, when he used to support cut police numbers for their last three years. Crime was falling at the time, but what most people remember about the previous Conservative Government is that they doubled crime.

Mr. Llew Smith (Blaenau Gwent): The UK Safety Group in my constituency, which produces footwear for the military, has just announced the closure of a factory and the loss of 65 jobs. It says that the only way it can maintain and retain defence contracts is by outsourcing its work to Brazil, where workers are paid scandalously low wages. Surely that cannot be right. Will the Prime Minister intervene to look at the defence contracts and help to ensure that those jobs are kept in Blaenau Gwent, which is one of the poorest communities in the United Kingdom?

The Prime Minister: I shall certainly look into that case, but I have to say once again that it is important that we realise that, particularly in a modern global economy, there will be jobs lost and jobs gained. We should do everything that we can to protect the jobs that we can protect and to help people who lose their job to get another job. We shall do that. I shall look into the particular circumstances of my hon. Friend's constituency case, but it is important that we emphasise to people that there is a limit to what the Government can do. We should do what we can do, but not pretend that we can protect people against every aspect of competition in a global economy, because it would not be right to say that.

Mr. William Hague (Richmond, Yorks): This morning, the Conservative members of the London Assembly reconfirmed their manifesto pledge to oppose congestion taxes in the capital. Does the Prime Minister expect the Labour members of the Assembly to stick to their manifesto pledge and join us in opposing congestion taxes?

The Prime Minister: I am sure that the Labour members will abide by their election pledge.

Mr. Hague: So will the Prime Minister make it clear to the new mayor of London that there is no point in even trying to introduce congestion charges, since the Labour and Conservative members together will vote against them with a two-thirds majority, and the idea should therefore be abandoned today?

The Prime Minister: Consensus appears to be breaking out on every side this afternoon. I cannot see many advantages in the situation, but one advantage is

that I am not responsible for the new mayor. However, I am responsible for the Labour members and I assure the right hon. Gentleman that they will abide by their manifesto. I am sorry if my answer took him by surprise.

Mr. Hague: Nothing that the Prime Minister says takes us by surprise any more. The Prime Minister is directly responsible for the new mayor, because the right hon. Gentleman's behaviour got him elected. The Prime Minister is also responsible for the Labour candidates who pledged no congestion taxes. Now that he is on our side on congestion taxes and has said that he is against them and expects the Labour members to stick to their pledge, will he join us in the House of Commons tonight in voting to save the rest of the country from this crackpot scheme of the Deputy Prime Minister?

The Prime Minister: No, we will not. I remind the right hon. Gentleman that the first time that congestion charges were mentioned as a part of Government policy was under his Government, shortly before the general election. As for the Labour members of the Assembly—I am sorry that the right hon. Gentleman has had to ask me this three times to get the same answer—they will abide by their manifesto.

Mr. Chris Pond (Gravesham): Is the Prime Minister aware that this morning, 16 social service care managers in Kent received redundancy notices as a result of the fact that, one month after setting its budget, Conservative-controlled Kent county council is already £10 million overspent?

Despite the fact that the Government have totally reimbursed the cost of asylum seekers to Kent, the council continues to take an additional £3 from council tax payers. Will my right hon. Friend arrange as soon as possible to meet the Tory leaders on Kent county council to insist that that money is returned and to arrange a visit for prudence to county hall in Maidstone with the purpose of introducing some financial management to the Tories that run the council?

The Prime Minister: I do not know whether I can promise absolutely to meet the Tory leaders in Kent, but I hope that people up and down the country realise what happens when the Tories are in charge of basic public services. When we came to office we found that in the health service, they had cut the number of nurses and the number of hospital beds. The hospital building programme had stalled and there was underinvestment in the national health service. What is happening in social services in my hon. Friend's constituency and elsewhere shows why it is important that we never let the Tories back again.

Q6. [120465] **Mr. Eric Forth** (Bromley and Chislehurst): This country now tops the European league table for asylum seekers. Does the Prime Minister still believe that three detention centres will be sufficient, or should there be a fourth?

The Prime Minister: I suppose that at least the right hon. Gentleman had the courage the raise that issue, which is more than can be said for the Leader of the Opposition. In relation to asylum, of course the key factor is that the measures that were introduced in April will make a difference. They include the withdrawal of cash benefits, penalties for those bringing in illegal immigrants, and, as we said a long time ago—it was prefigured back in the July 1998 White Paper—we will increase the number of detention centres. However, detention centres are for people whose applications have been turned down. We will not follow the advice of the Conservative party and lock up every single applicant. That would be hugely expensive and it would certainly be unlawful.

Mr. Richard Burden (Birmingham, Northfield): One day, I should like to ask my right hon. Friend a question about something other than Rover, but today is not the day. Will he join me in congratulating John Towers and his team on proving all the critics wrong and acquiring Rover Cars for the Phoenix consortium? Does he agree that the great thing about the Phoenix bid is that it has been a real co-operative effort involving the trade unions, who have been magnificent, and the support of my right hon. Friend the Secretary of State for Trade and Industry from day one? Does my right hon. Friend further agree that the real tribute has to go to the workers at Longbridge and their families, who have had to put up with the most appalling uncertainty for too long? They have come through that and can now get on with what they do best—making quality cars that people want to buy.

The Prime Minister: They do make quality cars. As my hon. Friend said, it has been a co-operative effort and we pay tribute to Mr. Towers and to the trade unions. I certainly pay tribute also to my right hon. Friend the Secretary of State for Trade and Industry for the immense amount of work that he did. The work force have earned their colours here and they have done quite magnificently. It is as a result of their dedication and the faith in them that Mr. Towers was able to put together his bid. We wish it well and we stand ready to help in whatever way we can. For those people who will lose their jobs—who are now, thankfully, far fewer in number—we stand ready to help with money, investment and advice on getting a new job.

Q7. [120466] **Mr. Simon Hughes** (Southwark, North and Bermondsey): As there is still widespread public concern about the high level of crime and the low rate of detection, following his exchange with my right hon. Friend the Member for Ross, Skye and Inverness, West (Mr. Kennedy), does the Prime Minister agree that another lesson of Romsey is that populist, simplistic and inappropriate solutions to that issue were clearly rejected by the electorate? If he agrees, will he and his Government please reconsider their populist and ill-considered proposal to remove from many innocent people the right to choose trial by jury, which he opposed at the general election? Will he instead take measures that defend the liberties of the innocent and secure the prevention of crime and its better detection, which that does not do at all?

The Prime Minister: I am afraid that I do not agree with the hon. Gentleman about the right to trial by jury. This is a change that was recommended by a royal commission. It is supported by the Lord Chief Justice. It is unquestionably right. In Scotland, for example, such a

right in those terms has never existed, and no one has ever complained that the criminal justice system in Scotland is flawed as a result.

The reform is not just right in its own terms. It will speed up the system of justice and save money that can then be put into police numbers that do precisely what the hon. Gentleman wants, which is to prevent crime. However, I am afraid that we are not able to spend more money on police and push the numbers back up again, after years of decline in police numbers, if we omit to take the measures necessary to do it. As I have said many times to Liberal Democrat Members, there is no point in carrying on asking us to spend more and more money on all sorts of different projects without any idea of how they should be paid for.

Points of Order

3.30 pm

Mr. Michael Fallon (Sevenoaks): On a point of order, Madam Speaker. May I refer you to a debate that took place in Westminster Hall yesterday, during which the hon. Member for Harrow, West (Mr. Thomas) referred in detail to a planning application in my constituency? He concluded by inviting the Minister to intervene in that planning application in my constituency. He did that without consulting or even informing me. I submit to you, Madam Speaker, that that is a gross parliamentary discourtesy, and I invite you now to so rule.

Madam Speaker: It is usual that, when Members refer to issues relating to another Member's constituency, in the House, in Committee or in the parallel Chamber, it is a common courtesy for that Member to let the hon. Member representing the constituency know that he will be doing so. It is a good practice that has operated in the House for some time, and I hope that it will continue to be maintained.

Mr. Gareth R. Thomas (Harrow, West): With the benefit of hindsight, Madam Speaker, and following your guidance, I clearly should have informed the hon. Gentleman, and I apologise to him and to the House. I make no apology for raising the issue, and if the hon. Gentleman is serious about protecting the countryside, perhaps he will make common cause with me on this issue.

Madam Speaker: I accept the apology that the hon. Member made in the first part of his comments.

Mr. Graham Brady (Altrincham and Sale, West): On a point of order, Madam Speaker. On a related but separate issue, the Minister of State, Home Office, the right hon. Member for Brent, South (Mr. Boateng) did not inform me of a recent visit to my constituency. I read about it in the *Manchester Evening News*. He had been in a car parked just a few hundred yards from my home in Altrincham. Is that not another instance of normal parliamentary courtesies being forgotten?

Madam Speaker: The hon. Gentleman is in a most unfortunate position. I often get letters from him in which he raises similar points of order. He must have a most attractive constituency. But of course, it is a common practice that Members—certainly Ministers, who have a staff—should notify the Member concerned when a visit is being made. When I come, I shall let the hon. Gentleman know, because he obviously has an interesting and attractive constituency.

Orders of the Day

Transport Bill

[2ND ALLOTTED DAY]

As amended in the Standing Committee, further considered.

New Clause 28

USE OF RECEIPTS FROM CHARGING SCHEMES

'Moneys collected under a charging scheme shall be used solely and exclusively for the purpose of improving roads and public transport for the benefit of those who are subject to the charge.'.—*[Mr. Syms.]*

Brought up, and read the First time.

3.34 pm

Mr. Robert Syms (Poole): I beg to move, That the clause be read a Second time.

First, I wish to declare an interest. Hon. Members should be aware of it from the Register of Members' Interests. I am a director of a family business with interests in road haulage and building and which owns property that may be affected by workplace parking. So hon. Members should see any comments that I make on congestion charging or workplace parking within the context of my interest.

In general, Conservative Members are opposed to congestion charging. We believe that it is a tax, and should be seen within the context of a Government who take £36 billion in road taxes and put only just over £5 billion back into transport spending.

Rather than spending the money raised from taxation, the Government's solution to transport problems is to seek further ways to tax the motorist and interfere in people's lives so that they may gain a little more money for public transport schemes. The millions of motorists in the UK pay substantial sums for using their vehicles. People often use their cars for their business or their family—the necessities of life—and will be upset that the Government's desire is that they should pay substantially more for the privilege.

The Bill sets out a regime under which local authorities or the Greater London mayor may set up schemes for congestion charging. That is bad news, but those of last Thursday's elections that returned Conservative councillors were good news for people against congestion charging, because Conservative councils will oppose it.

Given the exchanges during Prime Minister's questions a few moments ago, it is interesting that the elected mayor of London—the hon. Member for Brent, East (Mr. Livingstone)—is committed to charging, but that nine Conservative members were elected to the Greater London authority. Will the Minister confirm that, as the Prime Minister said, Labour members of the authority will stand by their manifesto and oppose congestion charging? The regime for Greater London is such that, if two thirds of the authority oppose the mayor, they will carry the day. The arithmetic of nine Conservative and nine Labour members means that congestion charging for central London can be blocked. It would be useful if the Minister would confirm that that is so.

The public and the electors of London would be interested to have confirmed the attitude of the Labour party and its members of the GLA. Big money is involved, and the matter will have a major effect on the new authority and the mayor.

Mr. John Bercow (Buckingham): In speaking out against congestion charging, does my hon. Friend agree that the Conservative opposition on the GLA is reinforced by the election in the west central area of Angie Bray, which we warmly celebrate? She can be relied on to be a continuing and articulate opponent of the mayor of London on that and other matters.

Mr. Syms: I am sure that Angie Bray will be an excellent member, and that all nine Conservatives will make a major contribution to the new authority. It would be good to have some clarification of where the Labour party stands on whether it is worth pursuing some of the schemes involved. Motorists pay £36 billion in road taxes—nearly £1 in every £7 collected in taxation. Yet the Government's policy is to collect more tax from the long-suffering motorist.

We should have preferred to strike schemes out completely, but we have tabled the new clause because it is not always possible on Report to table the amendments that one would want. We aim to ensure that if, in the face of Conservative opposition, a local authority unfortunate enough to have a Liberal or Labour majority or a coalition, wants to proceed with a scheme, the money collected must be spent on improving the area subject to charge. It is a belt-and-braces proposal; the Bill reflects the Government's intention that money should be spent within the area, but we wish to re-emphasise that point to protect those who pay what may be large amounts.

The Government set up ROCOL—the review of charging options for London—because of the provisions in the Greater London Authority Act 1999. The ROCOL study considered various options and charges that ranged from £2.50 to £10 a day for driving in central London. The most likely figure seemed to be £5 a day according to the study. Such charges could affect 200,000 cars and 50,000 commercial vehicles and could result in traffic being diverted, as most charging schemes do—up to 50,000 vehicles could be diverted out of the central area.

The ROCOL study suggested that one would need 150 places where vehicles could be stopped and inspected and about 400 enforcement staff. My understanding of the study—the Minister may have a different view—was that such charging would have a marginal benefit in terms of traffic congestion. However, we already have capacity problems on the underground and on buses, and charging would lead to even more overcrowding even if only a few more people decided to travel in that way.

If the charge were £5 a day, the yield would be between £260 million and £320 million in central London. No doubt the exchanges during Prime Minister's questions could mean big money. If that sort of money could be taken off people who have to come into central London, as well as a lower figure in other city centres throughout the United Kingdom, motorists would be paying substantial sums. The ROCOL study suggested that operating costs might be £50 million a year.

Such charging schemes would have a major effect on those who have to drive into our city centres. They would also affect poorer drivers, not merely the wealthy. In Committee, we discussed the fact that those who drive Rolls-Royces and Aston Martins may not mind paying £5 a day to drive around central London. Indeed, the charge might be to their benefit. However, many people are struggling—even in London, many people suffer deprivation and poverty. Those people may also wish to come into central London, but would find it difficult to pay that sort of charge regularly. The charge would be a regressive tax and the Opposition oppose it.

New clause 28 sets out to ensure that, if the measure were implemented in the teeth of opposition, the moneys would be used to benefit those who are subject to the charge. The genesis of the argument on the issue is that when charging was first proposed for London, in the Greater London Authority Bill, the Opposition moved an amendment to ensure that there would be a link between the charge and where the money was spent. A 10-year guarantee was written into the 1999 Act to ensure that the income generated from congestion charging would be used to the benefit of transport in the area concerned.

New clause 28 does not propose a definite period. It would be unfair to institute a new system, particularly given the £36 billion raised in road taxes, to raise money for an area, only to abandon that system and use the money for other things—as another means of taxation.

The Opposition are concerned because, even though there has been talk of hypothecation, it has been suggested only for a limited period. The cost of setting up and implementing charging schemes will not be insubstantial. Although the income from the schemes would initially cover the costs, in the long term we are concerned that the money should be spent to benefit the people who pay the charge.

There are concerns about congestion charging in general. Who should be exempt? During our many hours of happy deliberations in Committee about who should be exempt, we received representations from all sorts of organisations. Trade organisations, such as the Association of International Courier and Express Services, raised concerns, as did organisations that deliver parcels and always have to be nipping in and out of city centres. We were informed about some exemptions for emergency vehicles, but the Automobile Association, the Royal Automobile Club and so on expressed concerns about whether those exemptions affected them.

3.45 pm

There are major problems with congestion charging. We oppose it in principle because we believe that a Government who tax motorists at the rate that they do should not be looking for another means of taxing drivers, of controlling drivers and of discriminating against drivers—because, for most people, the car is not a luxury but a necessity.

Perhaps central London might be the one example where there are some public transport alternatives to car use, but those of us who represent shire counties know that most people do not have an alternative. If my local authority determines that it wishes to use the legislation to introduce congestion charging, it could have dire consequences for people living out in rural Dorset who may wish to visit Poole. The charge will have a deadly

[Mr. Syms]

effect on rural dwellers, who do not get many of the benefits of those who live in towns, and who need a car to get to school or to the health centre, and to go shopping.

Mr. Peter Snape (West Bromwich, East): Does the hon. Gentleman think that his authority should have the right to decide for itself whether to apply that charge?

Mr. Syms: It is probably better that the legislation is framed to allow the local authority to decide for itself, because it gives the Conservatives an opportunity to capture the authority and block it, and it provides a valuable campaigning mechanism for the Conservative party. I admit that, from a political point of view, congestion charging has many benefits for the Conservative party. I am sure that, if such charging is implemented and pursued by many authorities, including Labour authorities—and those controlled by the Liberal Democrats, who have shown a degree of enthusiasm for the policy that would worry any right-thinking person—we in the Conservative party will be the bastion of freedom and will defend people's ability to go about their ordinary life, dealing with the things that they need to deal with without undue state interference and excessive taxation.

New clause 28 would be an improvement on the Bill. I consider that congestion charging is a socialist measure, if I may use that word. When it is implemented throughout the United Kingdom, it will distribute money from people who need to use their vehicle to governmental organisations such as local authorities, who, in my opinion, do not spend money as well as the ordinary British public do.

I have always had a great feeling that money is better spent when it is in the pockets of hard-working people and their families. It is a form of regressive taxation to transfer money in such a way. I regret that the charge will penalise those who are less able to afford it, who I think will see in the Conservative party a one-nation party, standing up for their interests—standing up for people's right to go about their day-to-day business without excessive interference by the state, and without the overlay of further taxation.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I am not absolutely sure what the hon. Gentleman means. Is he saying that if a local authority already has on its books the right to carry out congestion charging and that money is being directly diverted to a transport system that benefits the people of that community, an incoming local authority that was Conservative controlled would automatically abrogate those powers and insist on the dismantling of the transport system?

Mr. Syms: For local elections, the local manifesto will be produced by the people in each political party who know their local area and its priorities. My party opposes congestion charging in principle, but of course we are a diverse and large party, and we are growing larger by the day. Certainly, since Thursday, there are many more Conservatives up and down the land. The number of Conservative councillors has doubled since the present Government came to office.

Mrs. Dunwoody: So?

Mr. Syms: It is basically for the local councillors to determine what they wish to do, given their priorities.

Mr. Tony Clarke (Northampton, South): The hon. Gentleman referred to one-nation Conservatism and almost gave the pledge that all Conservative councils would not introduce congestion charging. For clarity, will he answer the question that he has already been asked? Does he foresee circumstances in which Conservative councils may introduce congestion charging or not use that money for the purposes that my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) described?

Mr. Syms: Of course Conservative councils will have to deal with the situation as they find it. Legislation and local transport plans are drawn up in such a way that, if there is a change of political control, there can be a change of political direction. Any incoming authority will have to judge, as the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) suggested, whether the kerfuffle and fuss of dismantling a scheme will be worse than keeping it going for a while, particularly if set-up costs are taken into account. However, they are matters of detail that responsible Conservative councillors will consider after they have won control of local authorities.

The House is dealing with the Bill and with principles, and the Conservative party is clearly opposed to the proposal.

Mr. Bercow: We have got principles.

Mr. Syms: Conservative Members have principles; that may appear shocking.

The new clause would ensure that, when charging schemes are introduced, the benefits of them actually go to the areas for which they are intended. We had much debate in Committee about whether moneys could be used in other areas or those next door, and all the surveys that I have seen suggest that there is substantial opposition to charging. The only silver lining for the Government is that, when people are asked whether they would support a scheme if the money were used for transport schemes, the response is occasionally more positive.

Our new clause is designed to be helpful. If the Government think that charging is the way forward, they will accept it. That might be a palliative for Conservative Members, who would otherwise consider the proposal to be an offensive socialist measure. I take great pleasure in moving the new clause.

Mr. Snape: It is a pity that the hon. Member for Poole (Mr. Syms) chose to move the new clause. In our protracted Committee stage, he was always the voice of sweet reason among Conservative Members. He normally avoided controversy as much as he could. I realise that such conduct would not automatically be approved by some of the Conservative Members sitting behind him, so he has had to stiffen up his act for Report.

It is interesting that the hon. Gentleman described congestion charging as a socialist measure—Labour Members are not often accused of introducing them these days. As my right hon. Friend the Prime Minister reminded the House today, such a scheme first saw the light of day in a Conservative party document, so it is difficult to describe it in that way. I am sad that the hon. Gentleman had to go through convolutions as he moved the new clause; he is much better leaving the nasty stuff to the hon. Member for North Essex, who has somewhat belatedly joined us. It was much easier, in Committee, to knock the hon. Member for North Essex around a bit, but, if the hon. Member for Poole has decided to adopt the mantle of North Essex, he can expect to be knocked around a bit himself in this debate.

I do not know how many allies the Conservative party will plead it has for the new clause. The hon. Member for Poole trotted out all the sad old statistics about how much money motorists and road users pay and how little, comparatively speaking, they receive in return. Figures can be bandied around day and night, but they always fail to include to any great extent the costs to the police, the courts and hospitals and the costs of congestion and pollution that road users—most of us fall into that category—create. Motoring organisations all too often use such figures to argue against proposals such as the one that emanated from the Conservative party.

In the hon. Gentleman's private moments—if he is ever allowed any—he will have to concede that we cannot proceed as we are. The fact that more and more people understandably desire to acquire and drive motor cars—most Members are motorists—means that, sooner or later, the point of total gridlock will be reached in many towns and cities even if it has not been reached occasionally already.

Conservative Members, especially the hon. Member for Poole, are always short on solutions to the problems of congestion. They no longer propose to return to the great car economy so beloved of Lady Thatcher, which involved applying the predict-and-provide theory to road space, because they know full well that, in most parts of the country, building new roads is enormously unpopular.

That is especially true of—let me describe them as non-controversially as possible—the more affluent Conservative parts of the country. People living in those areas often demand the freedom, as the hon. Gentleman puts it, to drive their car wherever they like. However, proposals to widen motorways, build new trunk roads or make life easier for motorists are normally greeted with an enormous outcry and the best legal brains are immediately engaged to frustrate any local authority—or even the Government—wishing to bring forward such a proposal. The hon. Gentleman's speech is therefore long on problems and short on solutions.

Amazingly enough, the hon. Gentleman does not, these days, speak for business. The Conservative party always used to claim that it was the voice of business, but, in doing so, it draped itself in a false cloak. Now, however, even business acknowledges that something has to be done about congestion. Indeed, to a limited extent, the voice of business, the Confederation of British Industry—whose comments I shall come to in a moment—has come round to the view that some form of congestion charging is essential in many of our towns and cities if total gridlock is to be avoided.

I am not saying that we should rush into anything overnight and I am sure that my hon. Friend the Minister will underline that in his reply. There must be adequate consultation. However, is the hon. Member for Poole seriously suggesting that we should deny local authorities the right to make up their own mind on the implementation of such schemes? That appeared to be what he was saying. He went on to claim that there was popular opposition to those schemes, which was likely to boost the Conservative party. I am surprised that he, of all people, should use that populist argument. I accept that times are bad for the Tory party and that any threadbare, right-wing policy is going to be brought out of the locker, dusted down and given a run out.

Mr. James Gray (North Wiltshire): Will the hon. Gentleman give way?

Mr. Snape: I shall give way in a moment, if he will allow me to finish this thought.

I can well understand the desire of the hon. Member for Poole to pose as the motorists' friend. However, most thinking motorists know full well that we cannot go on as we are. Many of them, even dedicated Conservative voters, must have misgivings about the empty-headed nature of much of the opposition from Conservative Members. This strikes me as an appropriate time to give way to the hon. Member for North Wiltshire (Mr. Gray).

Mr. Gray: I am grateful to the hon. Gentleman, who is only half-headed, for giving way. His point about the Conservative party having a difficult time is silly. Does he think that the Conservatives winning 600 council seats from the Labour party last Thursday is an indication of bad times for my party? Does he agree that that result is, in part, a consequence of his party hammering the motorist in the past two or three years?

Mr. Snape: If I go too far down that road, I am sure that you will call me to order, Madam Speaker.

The Conservative party reminds me of a boxer who has managed to climb off the canvas and is now on his knees. In those circumstances, any referee would stop the contest. However, if the hon. Gentleman feels that the Tory party is up and running, even though many commentators, like me, believe that it is on its knees, then good luck to him. I am not averse to a bit of good cheer from Tory Members from time to time. It has been pretty hard work sitting on these Benches looking at their miserable faces for as many years as I have done, and anything that cheers them up is to be welcomed.

However, I fear that the Conservatives' joy may well be short lived, because of their mindless opposition to the Government proposal. Talking of mindless opposition, I see that the hon. Member for Hexham (Mr. Atkinson) is about to intervene.

4 pm

Mr. Peter Atkinson (Hexham): As one of the mindless Opposition, perhaps I may point out to the hon. Gentleman that, in the rural constituency that I represent, which does not have public transport to any extent—it does not have any buses—the Government's taxes on fuel have hit families, particularly those on below and average earnings, extremely hard. The Government are proposing

[Mr. Peter Atkinson]

to make the lives of those people even more difficult and costly, because when they drive into a town, they will have to pay a tax to do so. That is why my hon. Friend the Member for Poole (Mr. Syms) said that the proposal is a regressive tax; it will hurt people who can least afford it.

Mr. Snape: Those people will have to do no such thing. The proposals give local authorities the right—presumably after consultation, as I said to my hon. Friend the Minister—to introduce such schemes. Local authorities are not in the business of committing political suicide. I do not know whether the hon. Gentleman's local authority took advantage of the rural bus scheme introduced by my right hon. Friend the Deputy Prime Minister.

Mr. Atkinson *indicated assent.*

Mr. Snape: The hon. Gentleman nods, so I am sure that the more concerned members of his electorate will be aware that, under the Conservatives, there were no buses at all but, under a Labour Government, there is a subsidy that would help bus companies to run in his area. I repeat that Conservative Members should stop falling for their own party's propaganda. We are not saying that in every town and city there will be a fence, a barrier through which it will be impossible to drive a car without paying an enormous sum. The Bill is about giving local authorities the right to decide for themselves. That appears eminently democratic.

Mr. Ivan Henderson (Harwich): Is my hon. Friend aware of a recent article on transport in the local paper of the hon. Member for North Essex (Mr. Jenkin)—it is a pity that he is not present—in which it is said of him:

> He knows there is a problem with gridlock. He knows people must be encouraged to sometimes choose an alternative to the car ...?

Is that not what some of the Bill is aiming to achieve?

Mr. Snape: Alas, if only such a sensible fellow had ever participated in our deliberations in Committee or the House. I have a copy of the article. The photograph in it is pretty poor, but it looks like the hon. Member for North Essex (Mr. Jenkin). The caption underneath it reads, "suitable traffic on suitable roads". I am sure that, in his heart of hearts, like the hon. Member for Poole, the hon. Gentleman, as principal Opposition spokesperson on transport, agrees that there is much common sense in the Bill and wishes that he did not have to behave in such a daft way in opposing everything that the Government propose, and denouncing it, as did the hon. Member for Poole, as a wicked example of socialism penalising those least able to pay congestion charges.

Enough of the Conservative party; let it enjoy Thursday's minor triumph. I want to put a couple of points to my hon. Friend the Minister.

Before motorists and others are asked to pay congestion charges, they will need some reassurance on how any money raised will be spent. I look forward to my hon. Friend assuring the House that he will indicate to local authorities—I will not say direct because we do not like directing local authorities; we believe in democracy in local government—that revenues raised must be spent directly on transport. I hope that he will again say to local authorities that, before introducing such schemes—I repeat that they have a right to do so—they should ensure that proper public transport is available as an alternative in their areas.

I break off to apologise to the House. I should have declared an interest when I got to my feet as the chairman of a bus company that is part of the National Express group. I apologise to you, Madam Speaker, and to the House for forgetting to do so. I declared the interest in yesterday's debate, but I understand that one must do so daily. Before any Conservative Member points out any of my failings, I apologise.

Mr. Gerald Howarth (Aldershot): Will the hon. Gentleman give way?

Mr. Snape: I knew that I was letting myself in for something; I give way.

Mr. Howarth: I say to the hon. Gentleman, your neighbour, Madam Speaker, that we are all aware of the important post that he holds and the interest that he carries. We feel that the House is much better informed as a result of his outside interest. He does not need to declare his interest—Opposition Members are aware of it throughout our debates.

Mr. Snape: I am delighted that even a normally combative soul such as the hon. Gentleman recognises expertise when he listens to it.

Mr. Bercow: Will the hon. Gentleman give way?

Mr. Snape: Just a moment; one hon. Member at a time.

I only wish that some of the common sense displayed by the hon. Member for Aldershot (Mr. Howarth) would permeate the Conservative Front-Bench team.

Mr. Bercow: I am grateful to the hon. Gentleman for giving way. I am a little concerned about my hon. Friend the Member for Aldershot (Mr. Howarth), who seems to be going soft in his middle age. I am delighted to be reminded that the hon. Gentleman—who has always reminded me of no one more than Detective Inspector Jack Frost—is a successful capitalist. Moreover, his expertise can be invaluable in our deliberations. Will he tell us by how much over the years, in the fulfilment of his important duties, he has managed thereby to enrich himself?

Mr. Snape: Not only would that be the cause of considerable gossip, not least among some of my hon. Friends, but it would be outwith the rules of the House. Any declaration that it is necessary for me to make, I have made in the Register of Members' Interests. I urge that the hon. Gentleman, whose ever-fertile mind all of us on both sides of the House respect, turns up that entry and works it all out for himself.

We should introduce the proposed scheme, after full consultation. In its parliamentary brief on congestion

charging, which I assume was sent to hon. Members on both sides of the House, the Confederation of British Industry stated that

> it is essential that the revenue raised is ring fenced for transport improvements and that investment in viable transport alternatives for road users takes place before any local charges are introduced. Subject to this, we believe that congestion charging has the potential to secure benefits for transport users.

Nothing could better illustrate the gulf between the Conservative party and reality than the fact that the CBI sees the sense of the proposals that the House is discussing. Even the CBI has written off the Conservative party for the purposes of sensible opposition. I hope that my hon. Friend the Minister can give the reassurances that I requested.

As a last duty, Madam Speaker, I apologise for leaving the House for a few moments after I have spoken. I intend to return as quickly as I can.

Mr. Don Foster (Bath): I am delighted to follow the hon. Member for West Bromwich, East (Mr. Snape). So often over the past five months, he and I have done battle, disagreeing time after time about issue after issue, and I fear that I must do so yet again today.

The hon. Gentleman described the hon. Member for Poole (Mr. Syms) as long on problems and short on solutions. Judging by the speech from the hon. Member for Poole, the sad truth is that he is short on the problems. He does not begin to understand the nature of the problem that the Bill is intended to tackle. His total opposition to measures such as congestion charging and his desire to be the friend of the motorist through thick and thin show his total failure to understand the problem that motorists face.

To support the new clause is not to be anti-motorist or anti-car. I enjoy driving my car, but when I drive it I do not like sitting in traffic jams for hours on end. We must find ways of reducing car use so that when people do need to use their cars, they can get about more easily on our road network.

The problem is enormous. According to the Confederation of British Industry, which the hon. Member for West Bromwich, East quoted, the cost of congestion on our roads to business and commerce is £20 billion a year. The Royal Automobile Club estimates that the cost of congestion on our roads to motorists is a staggering £20 billion. In terms of costs to business and commerce and to individual motorists, congestion is a huge problem.

Mr. Gray: The hon. Gentleman prays in aid the CBI and the British Chambers of Commerce. Does he therefore agree with those organisations in their wholehearted opposition to workplace parking charging?

Mr. Foster: So far, I have not mentioned the British Chambers of Commerce. We are currently discussing road-user charging. The hon. Gentleman served on the Committee that considered the Bill. He therefore knows that there is a significant difference between road-user or congestion charging and workplace charging. We shall debate workplace charging later, when I shall make similar points. Both congestion charging and workplace charging are worth considering. Decisions can best be made locally, by councillors.

Mr. Gray: I am grateful to the hon. Gentleman for giving way again so soon. I am ready to overlook his condescending manner in pointing out that we are currently discussing congestion charging, and in making a few nice comments about serving on the Committee that considered the Bill. If he cares to read the new clause, he will discover that it covers both congestion charging and charges for workplace parking. I regret that he got to his feet without even reading it.

Mr. Foster: I am grateful for that clarification, which makes the new clause even more incompetent, as I shall show shortly.

Mr. Bercow: I do not wish to break the sequence of the hon. Gentleman's argument—in so far as he can establish one. However, does he understand that the premise on which he began his argument is both woolly and false? He bases his argument on the belief that there is widespread frivolous—and therefore unnecessary—use of the motor car, yet the overwhelming majority of people use their cars because they need to do so, not out of hedonistic self-indulgence, with which the Liberal Democrats want to do away.

Mr. Foster: The hon. Gentleman again demonstrates the lack of Conservative party thinking. Of course, in many circumstances people use their motor cars because there is no adequate alternative. However, those motorists currently face the considerable problem of congestion on our roads. We must find ways of easing that. The best method is to introduce more attractive alternatives that work at the right time, in the right place and at an affordable price.

I hope that the hon. Gentleman is not suggesting that it is woolly to say that the current cost of congestion is £20 billion to industry and £23 billion to motorists. According to the British Medical Association, pollution from that congestion causes approximately 24,000 deaths a year. Surveys show that, in London, a motorist spends one fifth of his or her time in the motor car stationary. That is a complete waste of a motorist's time.

In Victorian times, when people travelled by horse and cart, average speed was 11 mph. Today, when people travel in motor cars, the average speed in London is an amazing 11 mph. *[Interruption.]* The hon. Member for Buckingham (Mr. Bercow) is surprised at that, but those are the statistics. The average speed of a motorist in London is the same 11 mph as in Victorian times, when travel was by horse and cart. Millions of people suffer from asthma that is caused by the air pollution that results from congestion on our roads. We must tackle that significant problem.

Liberal Democrat Members believe that road-user charging and other measures, including the possibility of workplace charging, can help to provide solutions. However, there are provisos, which we made clear in Committee. They are now supported by the Deputy Prime Minister and, I believe, the Government. We should not introduce such measures unless significantly improved public transport alternatives exist for those who would otherwise suffer from the imposition of the charges that we are discussing. I am delighted that the Government have said that they will not accept, approve and authorise a road-user charging scheme, nor a workplace charging scheme, unless those commitments have been met. As the hon. Member for West Bromwich, East said, that applies until it can be demonstrated that there has been widespread consultation.

4.15 pm

We are pleased that the Government have acknowledged that the majority of the revenues that will come from the charges and levies will be used to improve public transport. However, the hon. Member for Poole is suggesting that all the money for all time must be devoted to that purpose. He removes immediately the possibility of something that he supported in Committee. At that stage, he supported the idea that some of the money from charging should be used, for example, to pay for the costs of roadside emission testing. That was one of the concessions made during the Bill's consideration in Committee. There may be other measures that would be of benefit to the wider environment that could come from expenditure of some of the moneys.

I suggested earlier—

Mr. Bercow: Will hon. Gentleman give way?

Mr. Foster: I shall not give way now. I want to make another point, which I would like the hon. Gentleman to intervene on. I am sure that he will, because he is very good at doing so.

Even if I supported the broad thrust of the Conservative Opposition's arguments against the charges and levies, I would have considerable difficulty in supporting the new clause. It reads:

> Moneys collected under a licensing scheme shall be solely and exclusively for the purpose of improving roads and public transport for the benefit of those who are subject to the charge.

I have some difficulty in understanding exactly how that will work. If I am driving my car in a charging area, I am subject to the charge. The money so raised will be used to improve public transport for me to use. However, the minute that I use that public transport, I am not subject to the charge. Therefore, public transport is not for my benefit. It appears that money will be raised that cannot be used by those who are persuaded to get out of their cars and to use public transport.

We will almost have a strange new form of apartheid. I can imagine that at bus stations throughout the land there will be two different bus shelters. There will be buses for those who have always used them and buses for those who used to use their car.

I am delighted that the hon. Member for North Wiltshire (Mr. Gray) has pointed out that the new clause covers both workplace charging and road-user charging because it is incompetent in both regards. However, the hon. Member for Buckingham was extremely keen to intervene a short while ago and I said that I would be happy to give him that opportunity. When he intervenes, he might like to explain his understanding of the new clause.

Mr. Gray: The hon. Gentleman is entirely wrong. The purpose of congestion charging and workplace charging is to get people off the roads and on to buses. The hon. Gentleman is saying that people in buses will not be paying workplace charges or congestion charges. That is the precise purpose of the tax. If it is not that, what is it?

Mr. Foster: Only a few minutes ago the hon. Gentleman was proud of himself for picking me up for not having fully read and understood the new clause. He is now demonstrating a far greater lack of understanding of the clause than even I, in my humble way, have achieved.

It is my party's view that road-user charging and workplace charging levies may have a part to play in helping to reduce the problems that are created by congestion on our roads. We believe that decisions must be made at local level by local councils and that no scheme should be introduced unless there has been widescale consultation. Nor should such schemes be introduced unless and until there has been significant improvement in alternative public transport opportunities for the people in the area concerned.

The new clause is defective in its use of language, but my final point is that it would create another problem. People often travel from one local authority area to another. The second authority may introduce the charging scheme, but, nevertheless, those travelling from outside will still need to benefit from improved public transport. In Committee, the Minister accepted that it will be possible for a local authority to pass the money that it raises from charging regimes to a neighbouring local authority to help it to improve its public transport if doing so can be shown to produce the benefit of reducing congestion overall. I hope that the hon. Gentleman will confirm that that is still the Government's intention. We shall not support the new clause, but we shall support the Government in their intention to introduce those opportunities for local councils.

Mr. Gerald Howarth: I am delighted to follow the hon. Member for Bath (Mr. Foster)—a fellow member of the Standing Committee—in discussing road congestion and congestion charging. To begin on common ground, I suggest that we are all familiar with that issue and that we are anxious to address it not only because it is of concern to us as Members of Parliament—we find it difficult enough to make our way to the House if we travel by car—but because it causes difficulties for our constituents. Our constituents are anxious that we should deal with congestion, and we are anxious to address it.

The hon. Gentleman is clearly right to say that industry and commerce have drawn attention to the enormous cost that congestion imposes on them. When one is stuck in a traffic jam and those who are on the other side of the road are equally stuck, it is interesting to speculate on the cost to industry and commerce. It is an astronomical sum and it is therefore the duty of Parliament to try to do something about congestion. It is frustrating to be stuck in traffic, which causes bad temper, accidents and so on.

Mr. Bercow: I am sure that my hon. Friend enjoyed the speech of the hon. Member for Bath (Mr. Foster) almost as much as I did, notwithstanding the fact that the hon. Gentleman was not supported in the Chamber by a single other Liberal Democrat Member. Does my hon. Friend agree that it was especially unfortunate that in his exposition the hon. Gentleman did not mention the dramatic increase in vehicle excise duty in the past three years? His enthusiasm for workplace and congestion charging remains undiminished despite the dramatic new imposts on vehicle users.

Mr. Howarth: My hon. Friend is entirely right to draw attention to that clear omission by the Liberal Democrats. I am sure that they were not anxious to say in their

campaign in south-west Hampshire that they would impose further charges on motorists. We in the Conservative party recognise that our constituents are exercised about the burdens being imposed on motorists. They feel discriminated against, not only because of the charges that my hon. Friend mentions but because of the tax regime, especially as it applies to those who require a motor car or a van for their job. Travelling by bus or train is simply not realistic for company sales reps or those who work for the utilities. However, as my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) said at Prime Minister's questions today, the Government have imposed further regulation on motorists in many ways.

Mr. Snape: Will the hon. Gentleman give way?

Mr. Howarth: Of course; I always give way to a representative of the bus industry.

Mr. Snape: I am not here in that capacity, but never mind; I am grateful to the hon. Gentleman for giving way anyway. Does he accept that it is our dependence—some would say over-dependence—on the motor car that has enabled many of us to live quite a long way from where we work, which leads to more and more people driving long distances to work every day? If he acknowledges that, does he also accept that the more people drive to work, the more congestion is caused in city centres because that is where most of them are heading? If he is against the Government's proposals, could he come up with any ideas that would enable people to continue commuting by car for ever and ever amen?

Mr. Howarth: I am pleased to say that the hon. Gentleman is a friend of mine. As a west midlands Member, he should be careful about being too critical of the use of the motor car, because he comes from and represents a part of the world—as you do, Madam Speaker—where the motor car is an extremely important component of the local economy. I am a former west midlands Member, and companies in my former constituency were suppliers to the motor industry. We should be careful before we penalise that industry too severely.

The hon. Gentleman invites me to say how I think the matter could be resolved. I know that he has to leave, but if he has a little patience and can stay with us a bit longer I shall try to answer his question.

When my hon. Friend the Member for Buckingham (Mr. Bercow) intervened, I was about to mention him because he has referred to people's need to use the motor car. It is not the frivolous use of the car that is responsible for congestion on our roads. The motor car clearly confers a flexibility that public transport does not provide. That maxim applies right across transport. When British Midland put on a couple of flights a day between Heathrow and Birmingham, very few people used the service. If there were six flights a day more people would use the service because it would provide flexibility. The flexibility of the motor car is very important.

The motor car also provides an element of safety, which is why so many mums and dads drive their children to school. They do not walk or cycle. A great number go by car because parents are concerned about the safety of their children. Those are not frivolous uses of the motor car. They may be undesirable, but they are not frivolous, and it is not for us to tell people that they should not use their motor car if they believe that that is the safest way to convey their children to school and they derive reassurance from that.

Furthermore, I cannot be the only Member who believes that the motor car serves as a mobile office. Twenty years ago we did not have mobile telephones. Before the advent of the right hon. Member for Hartlepool (Mr. Mandelson), we did not have pagers either. We now have pagers and mobile telephones, and there is no doubt that they enable us to do a certain amount of work while travelling. If we are stuck in a traffic jam, there is a silver lining to the cloud in that we can use the mobile phone and do things that we would not be able to do in a Committee meeting in the House.

My former hon. Friend the mayoral candidate, Mr. Steve Norris, once explained the advantages of the motor car. We can listen to the stereo, the news is available and we can have the use of the office. It is unquestionably a fact of life that the motor car provides us all with a mobile office. Another reason why people are prepared to put up with the discomfort of congestion is that they can do something else in the meantime. They are not prepared to trade that flexibility and the advantage of having the motor car for public transport services that may be less reliable, less flexible and not give them the same travelling environment that the motor car does.

4.30 pm

Mr. Bercow: My hon. Friend rightly points out that nowadays the car can be used as a mobile office. Does he agree that, although rail travel has many advantages, one of the besetting sins of modern rail travel is that, while trying to work on the train, one is often obliged to submit oneself to conversations being conducted by others on mobile telephones at a very loud volume—conversations in which one is not in any way interested, but which are very distracting?

Mr. Howarth: My hon. Friend makes an extremely important point. The situation that he describes will be familiar not just to Members of Parliament but to the public, and is a cause of great concern.

I promised the hon. Member for West Bromwich, East (Mr. Snape) that I would answer his question. He asked what was the solution. The new clause is helpful, but I think that ultimately the solution will lie in the marketplace. The market will determine—people will decide—that the trials and tribulations of congestion are so great, and cause so much frustration, that the trade-off is not worth it, and they will seek alternative means of transport. That is even more likely to happen when alternative means of transport present themselves as being more attractive than they are today—which is perhaps one of the greatest challenges facing the operators of the private sector train industry.

Earlier this week I was talking to Sir Richard Branson on the Terrace, as I am sure Labour Members were. He has great hopes and is very committed to the new trains that he is introducing on the west coast line. Perhaps it is time that trains offered a more bespoke service to the business traveller. I have travelled with West Anglia Great Northern, which provides a service of a different order to

[Mr. Howarth]

that provided by some other companies. It goes out of its way to attract the business traveller—for instance, with free newspapers.

There will come a point at which people will say—indeed, I suspect that they have already said it in communities served by WAGN—that it is better to travel by train, because the company puts itself out to assist the business traveller, than to struggle with the motor car. Ultimately, the marketplace must determine these matters; I am not convinced that we will be able to do so here.

The Minister is providing a panoply of arrangements for congestion charging. A bloke called Frank invited me, and others with London residences, to support him in the mayoral elections last week. I gathered that the said Frank chappie was not in favour of congestion charging. Is that Frank's document that I see before me? The Minister is most helpful. Does he by any chance see a reference to congestion charging in the document? Does he see a reference to Frank's being in favour of congestion charging? I suspect not. It is a bit ambivalent.

If this fellow Frank was not in favour of congestion charging and, indeed, made that the key issue on his platform at last week's mayoral election, and if the Labour candidates for the London Assembly gave an undertaking—which the Prime Minister told us today was irrevocable—not to impose congestion charging, there does not seem to be much point in putting this measure in the Bill. What if, far from espousing the new opportunity presented by the Government, the flagship authorities positively distance themselves from it? We are spending a great deal of time on something that does not seem to have too many legs.

Mr. Tony Clarke: The hon. Gentleman says that the policy does not have too many legs, but, to a man, Conservative Members have opposed congestion charging. The hon. Members for Buckingham (Mr. Bercow) and for Poole (Mr. Syms) have both done so. Does the hon. Gentleman accept that congestion charging exists already? If people travel to London or to any other city in Britain, they will find not only high car parking charges but parking meters, which act as congestion charges imposed by local authorities. What is the difference between a high car park charge, a parking meter and a congestion charge sensibly proposed by a local authority to reduce pollution?

Mr. Howarth: To a certain extent, a parking meter is a voluntary charge—people decide whether they will accept it or not. They can find a place that does not have parking meters and take the tube or whatever, but congestion charging is a mandatory charge that they can avoid only by not coming into the area where the charge is levied. There is, I grant, a similarity; I shall not be stupid about it. However—I do not wish to detain the House too much longer—the Society of Motor Manufacturers and Traders Ltd. and the Engineering Employers Federation have both made it clear that they are very concerned about congestion charging.

Mr. Snape: What about the CBI?

Mr. Howarth: The Engineering Employers Federation has a lot more to do with the constituency of the hon. Gentleman than the CBI.

Therefore, I believe that new clause 28 is a good measure. Schedule 11 provides for hypothecation of the net proceeds of receipts from congestion charging. The new clause says that the people who are to pay the charge should be the beneficiaries of it. There is no difference between the Opposition and Government on the principle of hypothecation. My hon. Friend the Member for Poole (Mr. Syms) is saying that there is a case for the proceeds to be used

> solely and exclusively for the purpose of improving roads and public transport for the benefit of those who are subject to the charge,

which seems a perfectly sensible proposition.

Before congestion charges are imposed—if they are—may I put the following suggestion to the Minister? One way in which congestion could be reduced is by adopting the type of policy that is used in Germany. I am told that we use it here, but I see no evidence of it, save on the A4 at Slough. In Germany, it is called die grüne Welle—the green wave. Traffic lights are sequenced so that, if people travel at a constant speed, the lights turn green as they approach them.

On our main roads into and out of London, we should introduce the policy of a green wave—it is nothing to do with the Green party, of course. At the moment, people set off from one traffic light and see that the next one in the distance is green, but, by the time they get to it, it has gone red. That must have a substantial impact on the volume of congestion in our major cities. I make a suggestion to the Minister—he can take it up for free: that practical proposition could be applied to traffic management in cities and will benefit the travelling public.

Mr. Snape: Will the hon. Gentleman give way?

Mr. Howarth: I am sorry, but I have already spoken enough and I will not give way; forgive me.

Mr. Gray: I rise briefly to speak to an important new clause and to give the Minister the maximum time to reply to the debate and, by some means, to try to explain to the listening public and to others why he intends to bring in what will without question be a very damaging new stealth tax on the motorists of Britain, following the great increases in petrol tax and in vehicle excise duty.

There is no question about it: when the Minister brings in his congestion and workplace charging, it will be massively unpopular throughout the country and damaging to motorists. *[Interruption.]* If his response is that it will not be unpopular or damaging to motorists—the gasps from the Labour Benches suggest that that will be his response—I suggest that it will not do the work for which it is designed because, presumably, only those people who do not wish to pay the tax will get off the road.

Congestion and workplace charging have three possible purposes. The first, of course, is to reduce congestion; I will come back to that. The second is to raise funds for the specific purpose of improving public transport in general; that is what the new clause is about. The third—I have a shrewd suspicion that it may be the most realistic—is to raise funds in general for other Government purposes. It is perfectly legitimate for Governments to decide to introduce a new tax to fund

services such as schools or hospitals. Although there is nothing wrong with doing that, we must be clear that that is what we are doing.

The first option—introducing a tax to reduce congestion—seems the least likely to be successful. Let us imagine what would happen if there were such a tax. Let us imagine that the congestion tax for London was a punishing £10 per day, and that the parking charge was £3,000 annually—which is the figure being put around by the Road Haulage Association. Let us imagine that the people of London faced those taxes. What would happen when poor people and disabled people who had to get to work in London were driven off the cleared roads of London?

Two things would happen. First, the roads would be clear for exactly the wrong type of people—those who simply do not mind paying the tax, such as Members of Parliament. The roads would be nice and clear for us to get to this place easily, especially if parking charges—as in the Government's carefully crafted Bill—did not apply to parking at the House. The roads would also be nice and clear for fat cats in the City of London. However, the poor and other people who cannot pay, the ill and disabled, students and people going to football matches, doctors attending emergency surgeries and people going to man fire brigades, would simply not be able to work.

Nevertheless, good luck to the fat cats and to Members of Parliament. We know that the Secretary of State for the Environment, Transport and the Regions likes the road to be clear for his two—or more—Jags. However, the tax will not reduce congestion.

Mr. Geraint Davies (Croydon, Central): Will the hon. Gentleman give way?

Mr. Gray: The hon. Gentleman has just strolled into the Chamber, at the very last minute, without attending any of the debate. Now he wants to get a bit of a mention in his local newspaper by making a cheap intervention. In Committee, his interventions were simply not worth listening to. However, if he sits still and listens quietly, he might learn a thing or two. I have no intention of giving way to him.

The second problem with the principle of trying to reduce congestion by using congestion charging is the possible consequence of success. If the roads of London were clear, all those who currently stay at home because of road congestion would say, "I know what we're going to do—let's drive into London, into the city, because there's no congestion." The tax will have an effect exactly opposite to that intended. It could—if it works at all—increase congestion.

New clause 28 deals with how the money raised from such swingeing taxes—if they are introduced—should be used. I should point out that the Labour party seems to be in some disarray about whether charges will be introduced. Although Labour councillors in London's new Assembly seem to be saying that they do not want congestion charging, which they know would be electoral suicide, Mr. Livingstone—who, I believe, is still a Labour party supporter in one way or another—is all in favour of it.

The Government also seem to be all in favour of congestion charging; they propose to introduce it. They also included a congestion charging provision in the Greater London Authority Act 1999. Although the Assembly Members do not favour it, the Government do. However, let us imagine that Assembly Members did favour it. What would happen to the money? As I said—

Mr. Deputy Speaker: Order. As the hon. Gentleman will know, transport in Greater London is dealt with in other legislation, not in the Bill. Perhaps he will speak to new clause 28.

Mr. Gray: Forgive me, Mr. Deputy Speaker, but the point that I was making is that the 1999 Act makes provision for congestion charging and charging for workplace parking. That provision was the first national exemplar of how such charging should work.

Mr. Deputy Speaker: If we debate that subject, perhaps the hon. Gentleman will have an opportunity to talk about those matters. However, new clause 28 is quite clear about what it deals with.

Mr. Gray: I had not intended to talk that much about the 1999 Act, Mr. Deputy Speaker, although it offers a useful exemplar.

The new clause specifies precisely what should happen to the money that will be raised by congestion and workplace charging, whether it is raised in London or elsewhere. The Bill's provisions will, of course, apply across the nation—as you correctly said, Mr. Deputy Speaker. There are two possibilities for what will happen to the money, the first of which is that it will be truly hypothecated. I shall deal with that possibility in a moment.

Secondly, the money could be used like normal taxation, for services such as schools and hospitals—as I said, that is a perfectly legitimate ambition of any Government. It reminds me of a comment made in this place by Mr. Lloyd George. When introducing vehicle taxation, he said that he needed to tax cars because more money needed to be spent on roads. He intended to hypothecate the money from vehicle excise duty and spend it all on improving Britain's roads. Today, 90 per cent. of that money is spent for other purposes. As long ago as Lloyd George's time, hypothecation was shown to be a myth.

The Government pay lip service to hypothecation. They say that they want to bring in a huge new tax on motorists to improve public transport. That is politically attractive, because there are people who will say "I don't mind paying the tax if it is going to get other people off the road so that I can use my car."

4.45 pm

However, there is no linkage between the places where public transport needs to be improved and where the tax would be raised. The tax would plainly be raised where congestion is worst—primarily the inner cities and some of the bigger towns—but much of the public transport improvement is needed in the countryside, in small towns and in the suburbs of our large towns, where provision is wildly inadequate. In London, for example, the tube is very important, but it exists only north of the Thames. To the south of the Thames there is only the Northern line. Would the money raised from congestion charging north of the Thames be used to improve public transport south of the Thames?

[Mr. Gray]

There is also no linkage between those who would pay the charges and those who would benefit from the spending. The hon. Member for Bath (Mr. Foster) made a good point about that. People coming into a city would pay the tax, but would not benefit from the subsequent improvements in public transport.

Thirdly, there is no linkage between the amount that would need to be spent on improvements to public transport and the amount that might be raised by the tax. What if the tax were seriously inadequate? Would the Government top it up in areas where it did not raise enough?

The Whip on my right hand side is making worrying noises about sitting down and giving the Minister time to reply. It is important that he should reply, because this is a wildly misplaced policy, as his colleagues in London are beginning to realise. That is why they object to it. It will not raise anything like enough for the public transport improvements that he describes. The policy is a public relations con designed to attract voters who would be happy to pay the tax if it cleared the roads of other people, but there is no evidence that the money raised would be spent on the public transport improvements about which the Minister has talked so often. For the money to be hypothecated properly, as it must be, it will need to be additional and permanent, not just for 10 years. It must also be targeted at those who pay the tax, who are not necessarily the same people who are suffering from traffic congestion.

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): We have had an interesting debate, which, mercifully—with the possible exception of the speech of the hon. Member for North Wiltshire (Mr. Gray)—did not simply cover the ground that we had already covered in Committee.

We all recognise that the use of revenues raised by road user charging is an important issue that will be central to the success and public acceptability of any charging scheme. I should say at the outset that I cannot accept the new clause, but I should like to explain the reasons and remind the House of the ground-breaking arrangements for the use of the proceeds from charges that are already contained in schedule 11.

The Conservatives seek the indefinite hypothecation of the revenues raised by local authority road user and trunk road charging for spending on road improvements and public transport for the benefit of those who are subject to the charge. The hon. Member for Bath (Mr. Foster) highlighted one of the clause's defects when he asked whether someone who was no longer subject to the charge would be entitled to receive the benefit. There are issues relating to people who do not own a car or people who have not used their car for particular journeys before the introduction of charging. I fear that if the new clause as currently drafted were incorporated in the Bill, it would almost certainly be an invitation to the litigious to challenge the validity of any road user charging scheme. However, I do not intend simply to fall back on the point that we believe that the new clause is defective. We accept it in the spirit in which it was offered and will address it in those terms.

It was a real pleasure to listen to the hon. Member for Poole (Mr. Syms) who had the difficult task of presenting the case for a new clause that was designed to make the best use of the proceeds of road user charging, while at the same time swearing his party's undying opposition to the principle. It was not surprising that there was a smile on his face as he went through that process. I was reminded by the observation by my hon. Friend the Member for West Bromwich, East (Mr. Snape) that the hon. Member for Poole had presented the voice of sweet reason from the Opposition Benches in Committee.

The hon. Member for Poole raised the issue of London, as did a number of hon. Members. As you said, Mr. Deputy Speaker, the legislation does not cover London, other than in a few consequential ways. The powers in respect of congestion charging and road user charging were given in the Greater London Authority Act 1999, so this Bill is of more relevance to other areas. However, as the London issue has been raised, let me make it absolutely clear that it is for the mayor to decide whether a congestion charge should be introduced. That is the arrangement in the Greater London Authority legislation.

It is not the role of the Assembly to promote particular proposals; that is for the mayor to do. The role of the Assembly is to scrutinise, and its Labour Members will certainly scrutinise closely and carefully any proposals from the mayor, to ensure that they have been properly thought through, are well judged, proportionate and deliver real benefits for London.

Mr. Syms: The Conservatives oppose congestion charging, and I understood from the Labour manifesto on which the right hon. Member for Holborn and St. Pancras (Mr. Dobson) and the Assembly Members stood for election that there would be none of it for four years. Do I take it therefore that the Labour party and the Conservative party could combine to stop the mayor introducing such a scheme for at least four years?

Mr. Raynsford: Perhaps I can help the hon. Gentleman by reminding him of the terms of the manifesto that my right hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) put to the electorate of London. He said:

> As mayor, I will have the power to introduce congestion charging. However, while I am not against congestion charging in principle, I do believe that we need to have public transport alternatives in place first; and if we are going to have them, we had better do it properly. Transport experts say that a proper electronic scheme could barely be introduced before the end of the mayor's first term.

That was the policy set out by the Labour candidate, and I have no doubt that Labour Members of the Assembly will follow a similar approach in scrutinising carefully, as is their responsibility, any proposals from the mayor.

Although he opposed charging, in response to my hon. Friend the Member for West Bromwich, East, the hon. Member for Poole conceded that the decision should be left to the local authority. I welcome that view, but I hope that the hon. Gentleman will be ingenious when he—or perhaps it will be one of his hon. Friends—moves new clause 29, which refers to making, varying and revoking charging schemes, and would make it impossible for any scheme to be introduced without an affirmative resolution of the House. I would be most interested to know how the decision is to be left to the local authority in the light of that proposed new clause. That is a pleasure for us to look forward to later in this afternoon's proceedings.

My hon. Friend the Member for West Bromwich, East, in his usual highly informed and colourful way, stressed the importance of local authority discretion and sought

reassurances about the application of the proceeds of congestion charging to improve public transport arrangements in the areas concerned. He will know that we have already given assurances that the proceeds must be used for the purposes of transport in line with the individual authority's local transport plan. Approval will be given only to schemes that have demonstrable benefits in line with such plans. I hope that my hon. Friend is satisfied with that assurance.

The hon. Member for Bath (Mr. Foster) emphasised again the importance of local decision making. He asked about co-operation between authorities, using the proceeds of congestion charging in neighbouring areas, if appropriate. I can happily give him the assurance that he seeks. That will be possible—provided, as I said in response to the question from my hon. Friend the Member for West Bromwich, East, that the application is consistent with the authority's local transport plan.

The hon. Member for Aldershot (Mr. Howarth), who apologised personally to me for not being able to be here for my winding-up speech, gave a paean of praise to the joys of motoring. He cited the mayoral candidate, Mr. Steven Norris—to whom, incidentally, and perhaps significantly, he referred as the mayoral candidate rather than the Conservative mayoral candidate—as an advocate of motoring. Indeed, he quoted Mr. Norris's well known and much quoted comments about the pleasures of travelling in a motor car, but he sadly disappointed us by not reaching Mr. Norris's punchline about the implications of travelling on public transport with, I believe the phrase was, "dreadful human beings". Such an approach should not govern rational decision making about the benefits of respective forms of transport.

We have set out the principle of hypothecation and confirmed that hypothecated revenues will be available for 10 years, following which there will be a review. It seems a bit rich for the Conservatives to be pressing for the indefinite hypothecation of revenues from charges that they claim to oppose in principle. It is all the more curious, given that their 1996 Green Paper, which was in favour of giving local authorities charging powers, contained no guarantee that the revenues would be spent on improving local transport. That is an indication of how far the Conservative party has moved away from any credible position on transport.

The Bill represents a major breakthrough by guaranteeing at least 10 years' hypothecation for any charging scheme starting in the first 10 years. Unlike the previous Government, we recognise that that is crucial to the success and acceptability of a charging scheme. This is a new provision, and it is right that it should be reviewed after 10 years. In any event, it would not be appropriate to guarantee hypothecation indefinitely, because that might not deliver value for money in terms of transport improvements in the medium to longer term. That is why the Government intend to conduct an informed review of the hypothecation arrangements in schedule 11 before the hypothecation guarantee expires.

The review may decide that 100 per cent. hypothecation of charging revenues for transport spending should continue. Indeed, many hon. Members believe that more than 10 years' hypothecation will be necessary. However, that is not a decision that we need to take now. It will be much better to take it later, as is provided for in the Bill.

As for geographical coverage, I am sure that local authorities will want to spend much, perhaps all, of their net resources on improving the attractiveness and accessibility of the charged area. However, it may not be sensible to spend all the money in that way. Better road maintenance and better street lighting in suburban areas might well be an appropriate use for part of the proceeds from a scheme that derives its revenues from a city centre charge. That option is open to local authorities, and it is better that the decisions should be taken locally than centrally. That is why the Bill allows the money to be spent for any transport purpose covered by the local transport plan. That is surely the right approach.

I invite the hon. Member for Poole to think again and to resume his role as the voice of sweet reason on the Opposition Benches by withdrawing new clause 28.

Mr. Syms: I am afraid that I am disappointed by the Minister's response, and we shall press the new clause to a vote. We heard the hon. Gentleman reading from the small print of the Labour manifesto for the Greater London elections. We shall live in interesting times, and the Prime Minister's comments will come back to haunt the Government.

Question put, That the clause be read a Second time:—

The House divided: Ayes 129, Noes 376.

Division No. 189] **[5 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baldry, Tony
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Day, Stephen
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Jacqui
Lansley, Andrew
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa

Moss, Malcolm
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Shepherd, Richard
Smyth, Rev Martin *(Belfast S)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Townend, John
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Keith Simpson and
Mrs. Eleanor Laing.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Austin, John
Ballard, Jackie
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony *(Chesterfield)*
Berry, Roger
Blackman, Liz
Blair, Rt Hon Tony
Blears, Ms Hazel
Blizzard, Bob
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Caborn, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Rt Hon Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corston, Jean
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gidley, Ms Sandra
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ilsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Rt Hon Alun
Michie, Bill *(Sheffld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*

Milburn, Rt Hon Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Neill, Martin
Opik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Welsh, Andrew
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Mike Hall and
Mr. Clive Betts.

Question accordingly negatived.

New Clause 30

USE OF RECEIPTS FROM LICENSING SCHEMES

'Moneys collected under a licensing scheme shall be used solely and exclusively for the purpose of reducing the business rates on those premises in the area where workplace parking spaces are subject to a licensing scheme.'.—*[Mr. Syms.]*

Brought up, and read the First time.

5.15 pm

Mr. Syms: I beg to move, That the clause be read a Second time.

We now come to the second of the terrible twins. We have dealt with congestion charging and we are about to consider workplace parking. Although this topic was mentioned in the debate on new clause 28, that new clause referred only to congestion charging. This debate is purely about workplace parking, and I have been asked to make that point clear.

Mr. Gray: In view of what my hon. Friend has said, may I make a quiet apology to the hon. Member for Bath (Mr. Foster), who I wrongly accused of not understanding the Bill?

Mr. Syms: I am sure that the whole House will take that apology in the spirit in which it was given and that it will take a constructive approach to this topic.

Workplace parking is one of the key ideas in the Bill. It is another method by which the Government wish to raise money for their transport plans, but it has to be seen in the context of the £36 billion that is raised from motorists in Britain. The Government wish to give local authorities and transport authorities the ability to introduce workplace parking charges in parts or the whole of their areas if they so wish.

The proposal has caused a great deal of concern, to business in particular. Many businesses think that the costs of the scheme will fall on them rather than on their employees and that they would face a heavy burden. I remember that, in my youth, the Harold Wilson Government introduced the selective employment tax, which was a tax on employment. Workplace parking charges will also turn out to be a tax on employment, because the firms that have the most employees and offer the most workplace parking spaces are likely to have the biggest bills. The scheme will probably not affect firms with one or two employees.

As the Bill has gone through the House, representations have been made by some major companies that have been responsible and provided parking places for their staff so that they can get to work and earn their crust. Those companies are aggrieved that the tax will be levied on them. When a local authority collects the business rates, it is likely to list the number of parking spaces for which a company will have to pay and add a further charge to its rates.

A business in that position will be left with a difficult choice. Should it pay the charge for its employees or should it pass it on? There is a slight sting in the tale: if the company passes the charge on to its employees, it may be VAT-able. A higher charge will be paid and the Government will receive even more income in the form of VAT. Many businesses have expressed concern that the effect of the proposal is that businesses will reduce

[Mr. Syms]

the number of parking spaces that they provide, and that may displace parking on to highways and byways nearby and cause disruption.

If one reads the new clause carefully, one understands that it would make this part of the Bill inoperable. That is what we want to do, because we oppose the principle behind the proposal. A totally unjustified burden will be placed on businesses and it is likely to have an effect on jobs.

When the Committee considered the proposal, Ministers made it clear that workplace parking charges could be paid by employees, agents, suppliers, business customers and business visitors. They went on to say that the definition would include

pupils parking at their schools or colleges.—[*Official Report, Standing Committee E*, 14 March 2000; c. 1014.]

Students, who have already had their grant reduced and have difficulties in paying for their education, would therefore have to pay to park their vehicles at colleges and universities.

In Committee we had a long debate on exemptions, and the only ones allowed by the Government are for NHS hospitals. Apart from that, it will be up to authorities introducing such schemes to determine exemptions. Concerns were expressed about local authorities having great difficulty in deciding what needed to be exempt and, indeed, in varying the charge for different parts of the borough and, perhaps, for different users.

We have therefore tabled new clause 30, which would effectively destroy this part of the Bill. Conservative Members are unashamed about admitting that: we think that workplace parking should go the same way as window taxes did in Georgian times, when the Government tried to collected money on windows.

Mr. Phil Woolas (Oldham, East and Saddleworth): It was a Tory Government.

Mr. Syms: I suspect that the Liberal Democrats were in power at the time.

Mr. Geraint Davies: Liberal Democrats?

Mr. Syms: All right then, Whigs.

We oppose the charge. The Government produced an interesting document entitled "Breaking the Logjam". In Committee, a number of points were made about it in relation to workplace and congestion charging, which may well be used together on traffic management. It was made clear that public transport must be improved to offer motorists a real choice before charging starts. "Breaking the Logjam" sets out an understanding of the potential of charges to damage business and commerce and highlights the need to protect the vitality of towns and city centres, including the need for a regional perspective to protect the sustainability of competing economic centres.

Many of our town and city centres are already struggling because of the cost of doing business in certain areas. A large number are already adversely affected by parking restrictions. Indeed, I believe that congestion charging—which we have just discussed—and charging for workplace parking could impose a real burden on businesses trying to keep shops going in town centres. If we are not careful, that will be a great disincentive to the revitalisation of our urban areas, and we should all be concerned about that.

Mr. Geraint Davies: As I understand it, the thrust of the hon. Gentleman's argument is that we should not have workplace parking schemes. However, the new clause says that we should, and proposes that the cost should be taken off business rates, so that there is no net impact on business. It would therefore introduce more and more red tape for business. If the hon. Gentleman does not want workplace parking schemes, he should table an amendment to that effect. The new clause, however, would involve more and more bureaucracy for business, which now knows what the Conservative party stands for.

Mr. Syms: If our new clause is accepted, introducing workplace schemes would not be worth while as they would not generate significant revenue. In most instances, money taken from companies would have to be given back to them. The proposal is therefore virtually revenue-neutral.

No sensible authority would wish to introduce a scheme from which it received no great benefit and which, perhaps, involved a cost to it.

The paper, "Road charging options for London", is relevant as that city is one of the few areas where a study of workplace parking has been done. The paper suggests that, for a parking space in central London, a charge of £3,000 might be levied. The chairman of the London planning advisory committee, Nicky Gavron—who doubtless will be quoted on many occasions in this Chamber—called for a charge of £5,000 a year per parking space in central London.

We are therefore talking about considerable sums, although the figures would be different for charges collected in other regions. However, if one counts parking spaces needed by businesses and comes up with a figure of £100 or £200 a parking space, for many businesses, that adds considerably to their costs throughout their year. That adds to the cost of employing people, which will have a pretty bad effect on business.

Mr. Gray: In addition to the effect on business, is my hon. Friend aware of the recent series of written answers which demonstrates that the Government have about 43,000 workplace parking slots? Given that, what effect will the proposal have on taxes?

Mr. Syms: My hon. Friend makes a good point, but the Government can probably look after themselves. I am concerned about small businesses that are struggling to meet their payrolls and to do business. They already pay substantial tax. On top of business rates, they are to be charged for providing parking for employees.

We go through fashions in this country. Occasionally, planning policy is that firms should have parking spaces, but then it is decided that it ought to be discouraged. I know that in the City of London at one stage, several buildings were built without parking spaces. Eventually, many had to be knocked down because they were not suitable. People wanted parking spaces to enable them to do their jobs.

We are opposed to workplace parking charges because they will not benefit the nation, business or people who work in businesses. It will put business in the difficult position of having to decide whether to require employees to pay for their parking spaces at work. Then, we come to the question of whether employees should be compensated in higher salaries. The proposal will increase the costs of employment, particularly in urban areas, which is not a good thing.

We have had many representations on this topic. The Confederation of British Industry ran a survey in London in which there was overwhelming opposition to workplace parking charges. Business made comments such as

> In the long run it will simply add to the cost of employing Londoners. Expensive for small companies, adding costs does not consider the needs of the companies. For example our two spaces are for sales staff who regularly drive to meetings outside London or who have "samples" in their car.

Those comments apply across the country.

Another business in the CBI survey said of the proposal:

> It's using businesses to solve the transport problem—this is a Government responsibility.

I do not wholly agree with that—responsibility is partly the Government's, although business must play its role—but workplace charging is not the right way forward. Another business commented:

> Car spaces are provided because they are needed by us to run our business which involves a lot of travelling.

There are many such quotations.

Mr. Geraint Davies: Does the hon. Gentleman accept that the impact of such charges will be first, to reduce the number of spaces, which will free up quite a lot of aggregate space for urban development; secondly, to encourage people to use public transport; and, thirdly, to encourage people to live near to where they work? Does he agree that those results are all environmentally beneficial and will probably lubricate the economy—people will take fewer journeys, on public transport, and there will be better use of urban space?

Mr. Syms: I am afraid that I do not share the hon. Gentleman's rosy vision. People live in particular areas because they like to do so. Many people live in the countryside because they prefer to do so. London is of course a nice place to live—I am sure that many areas of it are being regenerated, which I welcome—but taxation on workplace parking is not a productive approach. Costs will be substantial.

There is even the problem of definitions, which we discussed in Committee on several occasions. What qualifies as "a workplace"? In Committee, I used the example of a builders' merchants. If one is a builder, as I am—I better declare an interest—one would be charged for parking in a space at the builders' merchants because one is trade custom. However, members of the public who are buying garden furniture and perhaps a little cement would not be charged.

There is the issue of liberty. Local authorities will become involved in counting parking spaces and will have the right to enter people's premises to ensure that they are not trying to avoid the charge. In effect, there will be licences for parking spaces.

The proposal gives rise to many difficulties. It is instructive that the Government, who are a meddling Government, plan to introduce a workplace parking tax that will meddle a great deal in people's lives. I make no apology for the new clause, which would make the measure unworkable, as no sensible authority would go forward with it.

People feel strongly about the issue. Many of them need a motor car to conduct business. I do not believe that the Government are proposing a decent measure for the future, and I therefore oppose it.

5.30 pm

Mr. Geraint Davies: I shall make a couple of simple observations about the new clause. As I said in my earlier intervention, it would encourage business parking place charging as a form of taxation and as a substitute for normal rates. As I said in my second intervention, a workplace parking scheme could have beneficial effects and provide business incentives by reducing the number of spaces, increasing the use of public transport, and renewing and reviving some of the space at present used for parking.

The scheme would generate more red tape, but it would encourage those virtuous outputs. However, under the new clause there would be no opportunity for hypothecation to promote environmental benefits and more public transport provision to enable people to use public transport instead of their cars.

As I made clear in my interventions, the Opposition's agenda makes no sense, and their case shows no coherence. If they are against workplace parking charges, they should say so. Their new clause suggests that they are for it at a lower cost, but they are not willing to put in the investment to provide the public transport and environmental infrastructure needed to build a more sustainable Britain.

Mr. Don Foster: I begin by thanking the hon. Member for North Wiltshire (Mr. Gray) for his apology, which he made with his characteristic courtesy and generosity. I am grateful to him for that. He made it clear that in the context of the new clause, we are speaking about workplace charging.

As the House knows, workplace charging is intended as an additional measure alongside others that have been mentioned, not least road user charging, as part of the strategy for reducing congestion on our roads, to which I referred in an earlier speech.

During that speech, the hon. Member for Buckingham (Mr. Bercow), who sadly is no longer in his place, challenged me by suggesting that all the current journeys that are made by car are absolutely necessary, and there was no possibility of reducing the number of such journeys. Amazingly, since that comment from the hon. Gentleman, into my hand has come some information which clearly demonstrates that he is unaware of the benefits that could be gained by persuading some of the people whose car journeys are less necessary to change to public transport.

I was interested to read that a motoring organisation, the RAC, concluded from one of its surveys that many car trips that are currently made do not have to be made by car. According to the RAC study, for up to 30 per cent. of car journeys, the trip was hardly necessary, or a perfectly good alternative was already available.

[Mr. Don Foster]

The challenge for all of us is to produce strategies that will enable us to persuade people who make unnecessary car journeys not to make the journey at all, or to switch to other modes of transport, preferably high-quality forms of public transport. Many strategies, in addition to those that the Bill proposes, are available.

I hope that the Government will accept the need to provide much greater support not only for rural buses, but for other forms of community transport. We could even be radical and consider tax breaks for people who have season tickets for different forms of public transport. We could consider more radical approaches to car pooling schemes. In my constituency, an organisation called Take 5 works with some of the major employers in the area to try to persuade them to co-operate effectively on finding ways of encouraging their employees to pool car journeys to and from work. Some big organisations—the best example is the British Airports Authority at Heathrow—have effective, computerised car pooling schemes.

We could consider a more radical use of variable speed limits, and make better use of our existing road network. Perhaps the Minister who replies to the debate will tell us about the Government's proposals for that. I am sure that you prefer to use public transport whenever you can, Mr. Deputy Speaker, but you may have noticed on the rare occasions when you use your car that drivers on motorways become infuriated with motorists who sit in the middle lane and clog it up. There is an urgent need for education about correct lane discipline on our motorways.

While other strategies exist, they do not deliver the goods on their own. It is therefore right for the Government to consider alternative strategies such as congestion charges, which we discussed in our previous debate, and workplace charging. Liberal Democrat Members believe that workplace charging has a part to play in the battle against congestion. We are less convinced about it than about congestion charging, but we acknowledge that the decision will rightly be left to local government. Local councils know the problems of their area best and are therefore best placed to make a judgment about the appropriateness of introducing workplace charging.

Fears abound that workplace charging will be introduced throughout the country and that it will be levied on the staff of a corner shop in a tiny village. That will not happen. It is not the Government's intention, as I understand it. I cannot think of a local council that would contemplate such a proposal.

The Government are keen to give local decision making full rein, but they are not prepared to be sufficiently radical. In Committee, we had an interesting, albeit unproductive debate about extending workplace charging. Many of us know about the problems that out-of-town shopping centres create and the volume of traffic that they generate. The number of journeys to and from such centres can be an added cause of congestion. Yet the Minister has been unwilling to accept the possibility of extending workplace charging to such locations because the Government have clearly said that it can be introduced only in areas that are congested, not in places where people's movement to and from them might cause congestion. I would hope that even at this stage the Minister may be willing to consider giving greater flexibility to local authorities.

If we go ahead with workplace charging as the Government envisage, it is right that the money raised, just as with the money raised from congestion charging, is likely to be best spent by being invested in making improvements in our public transport infrastructure and other related measures to improve the environment. On that basis, it would be wrong to accept the new clause, which would lead to moneys raised from workplace charging being used for a purpose entirely different from that originally intended, and one that we fully support.

It is strange that the hon. Member for Poole (Mr. Syms) should introduce a new clause related to how money raised from workplace charging should be used when he and his hon. Friends are entirely opposed to the concept. I suppose that we should be grateful to him for moving the new clause, because it has given us an opportunity to debate these issues.

As there is plenty of time for the debate to continue and as there will be an opportunity for the hon. Gentleman to expand his views at great length, he might at least take a few minutes to explain whether the Conservative party believes that there is a congestion problem on the roads. The hon. Member for Aldershot (Mr. Howarth) was willing to acknowledge that there is a significant problem. He acknowledged also that it was costing business and individual motorists large amounts of money. However, it is not clear whether that is the official view of the Conservative party. It is—

Mr. Deputy Speaker: Order. The hon. Gentleman should confine himself to the terms of the new clause and not go wide of them.

Mr. Foster: I am grateful, Mr. Deputy Speaker. You will be aware that the clause suggests that money raised from workplace charging should be used for a particular purpose. Yet the hon. Member for Poole, in introducing it, made it clear that he was opposed to such charging. I was merely seeking to ascertain whether he was opposed to it and whether he accepted that there is a congestion problem. If so, I wanted to know what proposals he would make for solving the problems.

Mr. Syms: A Government that raises £36 billion in tax should spend a little more than at present on increasing capacity rather than taxing and restricting people.

Mr. Foster: That is a helpful intervention. If money is to be spent on increasing capacity, the hon. Gentleman's implication is twofold. First, he would be prepared to take away some current Government revenues from the purposes to which they are being applied. Presumably that means that he would be happy to see less money spent on pensioners, health or education. Secondly—

Mr. Deputy Speaker: Order. The hon. Gentleman is going wide of the new clause.

Mr. Foster: Thank you, Mr. Deputy Speaker. Of course I accept your stricture.

Unlike the Conservative party, we believe that congestion is causing a problem. We believe also that there is a wide range of strategies that can be used to address it, and that within that range there is a place for

workplace charging. That is in areas where local authorities determine that it is the most appropriate way forward. We shall not be able to support the new clause.

5.45 pm

Mr. Owen Paterson (North Shropshire): It is a great pleasure to follow the hon. Member for Bath (Mr. Foster) and to resume the contacts that we had in Committee, although it is regrettable that the Government did not listen to the sensible arguments that we made. The proposals for workplace charging are totally pernicious. They will not work. They will not affect congestion in the countryside and small country towns that I know. They constitute a brutal imposition of tax on the benighted British road user.

British motorists and road hauliers are the most heavily taxed and the least rewarded in Europe. The Automobile Association has carried out a survey that shows that British motorists suffer from the worst road congestion in western Europe. They pay the most for petrol and diesel. They pay the most for their cars. They are the most highly taxed and they receive least return on investment in roads and public transport.

In the Budget, the Government trumpeted the increases in line with inflation on fuel duty and vehicle excise duty as a blinding flash of light that showed that they had seen reason at last, but British hauliers are still easily the most heavily taxed in western Europe. The vehicle excise duty on a heavy truck has been reduced only to £3,950 compared with £308 in Portugal, £328 in Spain or £358 in Luxembourg. I could continue, but I expect that other hon. Members wish to speak. Diesel costs 67p a litre in the United Kingdom, but 36p in Luxembourg and 35p in Belgium, so is it a surprise that Britain's hauliers are either closing or flagging out and going abroad?

Mr. Snape: Will the hon. Gentleman give way?

Mr. Paterson: I am delighted to give way to the hon. Gentleman.

Mr. Snape: I realise that the hon. Gentleman normally sticks faithfully to the script provided by the Road Haulage Association, but, as he mentions flagging out, can he tell the House the percentage of foreign hauliers on Britain's roads and how much it has increased or decreased since last year?

Mr. Deputy Speaker: Order. The hon. Gentleman can worry about hauliers another time, but not during this debate.

Mr. Paterson: I shall follow your ruling, Mr. Deputy Speaker. I will not be led down the wicked byways suggested by the hon. Member for West Bromwich, East (Mr. Snape), but I should be happy to give him those figures later. The Library supplied them to me last year.

The British road user is getting a lousy deal. Less than a sixth of the £36 billion taken in tax is put back into roads and local transport. The increases in line with inflation in the Budget were £715 million, but the Government will spend only £280 million extra on transport. In my rural area, which has not been addressed by the Government in any of these debates, 95 per cent. of freight goes by road and 67 per cent. of people in Shropshire drive to work in cars, but there is a £94 million backlog of road repairs and winter maintenance extends to only 22 per cent. of the network. Those are being ripped off by the Government. There is no other term for it.

Mr. Bercow: Will my hon. Friend give way?

Mr. Paterson: I am delighted to give way to my hon. Friend.

Mr. Bercow: I am listening to my hon. Friend's exposition with great interest and attention. Is he aware of the strength of opposition to workplace charging that has been expressed consistently and eloquently by an 82-year-old constituent of mine? Mrs. Elizabeth Zettl of High street, Buckingham, regards with repugnance the Government's damaging proposals. She travels across my constituency to undertake voluntary charity work in Buckingham. She would be savaged by the Government's proposals.

Mr. Paterson: I am delighted to hear about Mrs. Zettl and entirely sympathise with her predicament. Like every other motorist, £8 of every £10 she puts in her tank goes to Ministers, who spend it on other things.

Mr. Deputy Speaker: Order. The hon. Gentleman should not discuss such matters, which are not before us. We are debating new clause 30, which was tabled by his Front Benchers. What goes in a constituent's fuel tank has nothing to do with the new clause.

Mr. Paterson: I listened carefully to your ruling, Mr. Deputy Speaker. We are discussing moneys that are collected under a licensing scheme. My argument is that the British road user is so highly taxed that he cannot afford to spend any more moneys on any other scheme. I support the new clause because it has the splendid effect of neutralising this thoroughly loathsome and pernicious measure to tax parking spaces.

Mrs. Zettl is in good company. The British Chambers of Commerce has said:

> Business will face a bill of at least £2 billion a year should the Government's ill-thought out proposals for workplace charging come to fruition. Such a policy will serve only to put firmly into reverse any improvements to business competitiveness derived through greater investment in transport.
>
> Non-domestic parking charging would do little to change behaviour as the tax is charged to businesses rather than individuals. If charges are not, as is likely, passed to staff, the charge will operate as an additional tax on business. If the charge is passed to staff, business will have to act, again, as an unpaid tax collector. The charge could also cause friction between employer and employees.

I think that they are understating the case. It is a cast-iron certainty that the charge will cause serious friction between employer and employees.

Mr. Bercow: My hon. Friend helpfully points out that the charges are levied on the business or organisation rather than on the individual user undertaking his or her duties for that business or organisation. Does he agree with me that it is a legitimate cause for concern that charities could be savagely hit by the proposal for workplace charging? They would have to foot the bill, their revenues would suffer, and as a result they would

[Mr. Bercow]

do less good for the community. The measure is utterly pernicious, wrong-headed and should have no place in our deliberations.

Mr. Paterson: I entirely agree. Those points were made in Committee, but regrettably were ignored by the Government. My constituents who drive to the college in Shrewsbury, which is a distance of 20 miles, will also be clobbered. Some of them are the least able to afford a new tax. People who have to attend training may drive to Wrexham or Telford. They will not be heavily remunerated if they are changing jobs, so they are in the most vulnerable position and will not be able to pay these charges.

A scion of Sainsbury's sits on the Government Benches in the other place. I have had a letter from Sainsbury's development policy manager, Mr. Huw Williams, who says:

> The Company believes that the introduction of a workplace parking levy presents innumerable practical problems. The opportunities for evasion and/or the implications of people's attempts to avoid paying the levy have not been adequately considered in the Bill or accompanying draft guidance.

Sainsbury's is particularly concerned about the difficulties that it is likely to encounter in many locations in differentiating between parking provided for shoppers, which are therefore exempt, and spaces used by its staff.

Mrs. Zettl is also in good company in that the Institute of Directors has carried out a survey. It is a substantial organisation with a membership of 51,000, 48,000 of whom are based in this country. They were asked whether they supported strongly or opposed strongly allowing councils to levy workplace parking charges. An incredible 81 per cent. opposed the charges, 61 per cent. of them strongly. It was interesting that the directors were also asked about their likely reaction to the effect of this horrible measure. Only 12 per cent. considered that the charges would encourage people not to drive to their premises and, amazingly, 18 per cent. said that they would consider relocating. This measure will be counter-productive.

Those companies fear that people who visit them will vote with their wheels. In Committee, I cited the case of the towns in my constituency. A town such as Oswestry does not have one business that is more than 10 or 15 minutes' walk from a residential area. That shows the crass impracticality of the measure. Ministers have not worked in business or been to a country area such as Shropshire. It is obvious that, to avoid the charges, people will park their cars in the residential areas and walk into town. The measure is even more pernicious in that it will hurt businesses that are situated outside towns, where there is no option. People will park in the lanes and clog up the roads.

This is a thoroughly ill-thought-out measure. It is nothing less than a tax. It is a means of giving local authorities a method of raising money for local transport schemes that will not come from central Government. That is what it is all about. Time and again in Committee we came across the supine inability of Ministers to negotiate any battle with the Treasury and win. Every time, they came out worst, and they have had to muddle through and come up with such cack-handed schemes to replace money that should rightly come from central Government, if it is to come from anywhere at all. The measure gives local authorities the right to raise money for schemes, because it is almost certain that central Government will reduce their support.

This measure does not even have the support of what should be good, loyal councils. In Committee, I quoted Mr. Emmerson from the Telford development agency. He said that the agency was looking into the possibility of postponing putting this scheme into practice for seven years on the ground that Telford does not have any congestion. It is almost certain to have to go for a scheme in order to raise money. That proves the point. Ministers are incapable of negotiating effectively with the Treasury, and they are imposing through the back door yet another vicious tax, which will make every one of my constituents worse off and every one of the businesses in my constituency less competitive.

Ministers do not understand how things work on the ground. I support new clause 30 because it has the splendid feature of totally neutralising this horrible proposal.

Mr. Snape: I apologise to the hon. Member for Poole (Mr. Syms) for not being present when he moved the new clause. I was doing an interview for the BBC—alas not on this subject.

Mr. Bercow: On buses.

Mr. Snape: Not on buses either. I hope the hon. Member for Poole will forgive me.

It is always a pleasure to follow the hon. Member for North Shropshire (Mr. Paterson). If he will forgive me for saying so, his speech does not improve with repetition. He made it several times over the months in Committee. I know that he does not like the charges, but I wish that he would try to understand them. No one will force Telford or any other authority to implement these charges. The legislation gives them the right to do so. The hon. Gentleman avoided speaking to the new clause, although I do not want to go too far down that road in case I am accused of doing your job, Mr. Deputy Speaker, and I could not possibly aspire to that.

I had the measure of the hon. Gentleman fairly early on in the Committee. His greatest wish is that Eddie Stobart will name a lorry after him. Time after time, he expressed his view that road hauliers are wonderful.

Mrs. Eleanor Laing (Epping Forest): Why not?

Mr. Snape: Eddie Stobart might name a lorry after the hon. Lady as well.

The hon. Member for North Shropshire made the same speech time and again in Committee, completely misunderstanding the purpose of the legislation. He trots out the old figures about so much raised from motorists and so little spent on roads. We have done that issue to death, and none of it has gone in. The hon. Gentleman gives the impression that every morning he goes down to his local road hauliers, has a load of pre-mixed concrete injected in one ear, is given a brief and turned loose on the rest of us. I wish that he would listen occasionally and consider the legislation—even the new clause that his own party is proposing.

Mr. Bercow: On a point of order, Mr. Deputy Speaker. I seek your guidance because, not for the first time,

we have been told in the Chamber that such and such a matter cannot be debated because it has previously been considered in Committee. This is a serious point. Am I not right in thinking that the legislation is to be reported from the deliberations of the Committee to the House? Those of us who did not have the immense privilege of serving on the Committee, but are now having the luxuriating lather of participation in the Report stage, want to hear my hon. Friend's speech because we did not have the pleasure of hearing it on the first occasion.

Mr. Deputy Speaker: The amendments and new clauses before us have been selected by Madam Speaker. The hon. Member for West Bromwich, East (Mr. Snape) is speaking within the terms of the new clause, and I am happy to listen to him.

6 pm

Mr. Snape: I suspect that, in his heart of hearts, the hon. Member for Buckingham (Mr. Bercow) is happy to listen to me as well. At least I promise him the odd new phrase, which, it appears, is more than the hon. Member for North Shropshire can deliver.

A much more interesting speech was made by the hon. Member for Bath (Mr. Foster), who—again, not for the first time—makes me wish that he would renounce the false doctrines of the Liberal Democrats and, as they used to say, come home to Labour. His was a speech that I would be proud to have made, had I the ability to be as lucid and well informed.

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Keith Hill): Old Labour.

Mr. Snape: We are all old Labour—apart from my hon. Friend, who may have moved on a bit. Anyway, given his speech, the hon. Member for Bath would have fitted quite well in the old Labour party alongside me. He correctly drew attention to the weaknesses in the new clause, and the thinking behind the Government's original proposal to introduce workplace charges, despite their obvious unpopularity.

Mr. Paterson: The hon. Gentleman and I enjoyed our exchanges in Committee, when he rejoiced in the nickname "Bertie Bus". He was always cheerful, and always gave a roly-poly response. I heard that response many times. This is the hon. Gentleman's last chance to prove that the Government's proposal will not make businesses less competitive in areas such as Shropshire. We are always given the roly-poly response; we are never presented with any specific arguments.

Mr. Snape: I do respond to the hon. Gentleman, but unfortunately he does not listen, or else he does not understand. I realise that he had the doubtful benefit of going to one of those posh schools, but he does not appear to be capable of listening. I am concerned about that, but I will try again.

The measure will make no difference in Shropshire if the councils that the hon. Gentleman mentioned decide not to implement it. It is as simple as that. Does he get it?

I am worried about the hon. Gentleman. I cast my mind back to the late 1960s and the last days of steam on the railways, when most of my generation fancied becoming engine drivers. Given his demeanour and his features, the hon. Gentleman probably pretended to drive a racing car around the playground. He has not come on at all since then. His speeches give the impression that nothing matters except the road haulage industry and the motorist, and misrepresent the purpose of the Bill to a considerable extent. *[Interruption.]*

I am trying to answer the hon. Gentleman, but he is obviously not listening. He is having a conversation with the hon. Member for North Wiltshire (Mr. Gray). I despair.

Mr. Paterson: I am waiting to hear the hon. Gentleman's argument.

Mr. Snape: I have just presented it. It is necessary for local authorities to seek these powers. The Bill, and the new clause to which we should be addressing our remarks—I, at least, am doing so—mean that if local authorities such as those mentioned by the hon. Gentleman wish to implement the legislation, they are free to do so. If they do not, there is no element of compulsion. Do I take the hon. Gentleman with me thus far?

Mr. Paterson: Yes. But if, as is feared, central Government do not provide the funds for transport schemes, authorities will be forced to introduce charges that are quite inappropriate for rural areas.

Mr. Snape: They will not be forced to do anything. The new clause relates to the way in which we spend the revenues raised by the charges.

Mr. Syms: Will the hon. Gentleman give way?

Mr. Snape: I shall be delighted to do so in a moment, but first I must respond to the hon. Member for North Shropshire. It is a bit like knocking a nail into concrete, but I have got to try.

I will say this for the last time. The purpose of the Bill and the new clause is to give powers to local authorities, if they desire to use them. The hon. Gentleman keeps going off on that barmy tangent of his, saying that a Labour Government will starve authorities of capital and they will have to use those powers. There is not a shred of evidence for that; as far as we can see, it is just assertion. Indeed, the hon. Gentleman was long on assertion and pretty short on facts for the eight weeks—or 80 weeks, or however long it was—of the Committee stage.

Mr. Syms: Let me reinforce the point made by my hon. Friend the Member for North Shropshire (Mr. Paterson). This year, the Government gave a borrowing figure of some £754 million in relation to grant to local authorities, but only about £13 million of that consisted of grant. There is a danger that the Government will say to local authorities, "You can raise money; it is up to you whether you do it, but we are not giving you anything." That will force local authorities to make decisions, whether they want to or not.

Mr. Snape: I am sure that the hon. Gentleman—who usually tries to be fair about these matters—will agree that that would apply regardless of the political hue of the

[Mr. Snape]

Government of the day, and regardless of the political hue of the local authority. His is a reasonable hypothesis, but it is no more than that. It is certainly not the intention behind the Bill, whose aim is to put more money into local transport generally, and to find ways of allowing councils to raise revenue in their areas if they choose to do so. I would expect members of the self-styled party of freedom to favour such legislation. They may not agree with its purpose, but I should have thought that the principle would please them.

Mr. Bercow: The hon. Gentleman referred disparagingly to Radley, the school attended by my hon. Friend the Member for North Shropshire (Mr. Paterson). Does he honestly believe that it would be acceptable for workplace charges to be imposed on teachers parking their cars—as they would have—at my former state comprehensive school, Finchley Manorhill, in the Finchley and Golders Green constituency? It would be a monstrous imposition on people of modest means. Does the hon. Gentleman not see that?

Mr. Snape: Of course I do—and if anything is likely to turn me off the principle of comprehensive education, it is learning that the hon. Gentleman went to a comprehensive school.

I meant no disrespect to the school of the hon. Member for North Shropshire. I am sure that it is a good school, and I am sure that somewhere behind that bluff veneer is quite a bright chap, but he concealed that very well for the eight or nine weeks of the Committee stage, which worries me.

Conservative Members continue to give hypothetical instances, which disguise their total opposition to the principle of the charges. I understand that—it is a perfectly tenable view—but I wish they would not try to obscure their view behind the smokescreen so elegantly woven by the hon. Member for Buckingham, and the one not so elegantly woven by the hon. Member for North Shropshire.

Mr. Paterson: Will the hon. Gentleman give way?

Mr. Snape: I am still mulling over the hon. Gentleman's contribution. He cited an opinion poll of the Institute of Directors. I have never joined the Institute of Directors, because it is not an organisation in which I put much faith in terms of political acumen, but let me ask the hon. Gentleman this: if the same question were put to the Institute of Directors about income tax rather than congestion charges, would it receive a similar response? Of course it would. None of us likes paying taxes: that is the way of the world. I do not like it, and nor does anyone else. However, we must somehow tackle congestion, especially in inner cities, and we wait in vain for any constructive suggestion from the Opposition.

I know why Opposition Members tabled the new clause, and I understand it; but an organisation that is, perhaps, more reputable than the one prayed in aid by the hon. Member for North Shropshire, the Confederation of British Industry, has had a few words to say about the levies. It suggests that there should be a degree of flexibility. It does not say that it is in favour of the charges—indeed, it is opposed to them—but it acknowledges that the Government want to tackle congestion, especially, although not exclusively, in inner cities. It says:

> We would welcome flexibility to allow, for example, the local authority to raise and administer the levy—

the workplace parking charge, that is—

> through some form of "pay and display" approach, as has been suggested by some businesses in the West Midlands. This would remove the administrative burden from business and levy the charge directly on the user.

My hon. Friend the Minister will say that the problem with that is enforcement. We all know that there are problems with enforcement of parking charges anywhere, but I do not think the CBI's view unreasonable, and, when we are discussing how to spend revenues raised through the charge, it is worthy of consideration.

Finally, let me repeat that no taxes are popular. This is perhaps less popular than most, but the alternative is to do nothing. Finally—I mean it this time—let me say this. The hon. Member for Bath mentioned the problems of out-of-town shopping centres, and the question of whether charges should be raised from either staff or shoppers. If the hon. Member for North Shropshire came to the west midlands a bit more often—

Mr. Paterson I live there.

Mr. Snape: All right. I meant the west midlands conurbation. If he went somewhere such as Merry Hill, he would see the misery caused to those who live around a major shopping centre as a result of the over-dependence, in their view and in their words—I will show him the letters—on car usage by both staff and shoppers going to and from a major shopping centre.

If we are to have the charges—the hon. Member for Bath mentioned similar situations—my hon. Friend the Minister should look at extending them to out-of-town shopping centres, largely because confining the tax to inner-city areas leads to the type of accusations that we have heard from Conservative Members today. My hon. Friend looks a little incredulous. It may be that I may have misread the legislation and that the go-ahead can be given to the use of such charges in out-of-town shopping centres. I should be surprised if that were the case, but it is an area that we should look at. If we are to discuss and to debate new clauses about how the charges levied are to be spent, it is relevant to look at how they are raised in the first place and, in particular, at the area in which they are raised.

Let me conclude—I mean it this time. As I have said, no taxes are popular. Any neutral who wandered into the Chamber to listen to some of the arguments, which have been well rehashed and well rehearsed by Conservative Members, would believe that there was no congestion problem anywhere in the UK. We all know that there is. It is getting greater and greater. Doing nothing is not an option. From that point of view, the Bill is to be welcomed and the new clause should be resisted.

Mr. Peter Atkinson: It is curious that at this late hour in the history of the Bill, the hon. Member for West Bromwich, East (Mr. Snape), whose contributions we enjoyed enormously in Committee, is trying to get down

to the basics of the measure, but he is wrong—it is not about reducing congestion; it is purely and simply about raising a tax on business.

The hon. Gentleman has been in the House a long time and he is an old soldier as far as the Government are concerned. He knows perfectly well that if the Government give local authorities the option to introduce a tax on business, the Treasury will say, "We will cut their money because they can make up the difference by introducing the new tax." If I had time to go to the Library, I am sure that, with some research, I could come back with countless examples of where that has happened. It is purely and simply a tax on business—another one from the Government that business will have to pay.

There is no suggestion that people who need their cars to go to work, particularly in areas such as those that my hon. Friend the Member for North Shropshire (Mr. Paterson) has described, will stop using their cars. They cannot. It would be grossly inefficient for them to park their cars on the outskirts of towns and take public transport. They will just foot the bill, or the company will have to foot the bill. It is another tax that makes companies less competitive. The usual decline of business will be caused by it.

My hon. Friends have been right to introduce the new clause. There has been criticism of it from the representative of the Liberal Democrats, the hon. Member for Bath (Mr. Foster), and from Labour Members, but again we are wise to the matter. We know that the Government will introduce the tax. All we are trying to do with the new clause is give some of the money back to the business that is being taxed. That would be fair and justifiable. The Government's warm words about helping business are always belied by their actions. It is a classic case of another stealth tax on business, which business will have to pay. It will not help one jot to reduce congestion on the roads of our city centres.

6.15 pm

Mr. Hill: It has been a fascinating debate, with many important speeches and observations. I hope that time will permit me to return to some of the points that have been made, notably by my hon. Friend the Member for Croydon, Central (Mr. Davies), and the hon. Members for Bath (Mr. Foster), for Hexham (Mr. Atkinson) and for North Salop who gave his usual rant on the subject of the road haulage industry. It will be a particular pleasure to return to that subject.

It is important, particularly in the light of the helpful and typically highly informed speech by my hon. Friend the Member for West Bromwich, East (Mr. Snape), to clarify that the Government have no present intention to extend licensing schemes to out-of-town shopping centres. I confirm that there are no powers in existing legislation to secure any such extension. It is possible under the terms of the Bill to apply workplace parking provisions to out-of-town situations where there is a congestion problem, but I need to make it crystal clear that the Bill cannot apply to shoppers parking in or out of town.

The hon. Member for Bath looks a little disappointed. I would be happy to learn from him that it is current Liberal Democrat policy to extend such provisions. *[Interruption.]* I take it from his sedentary assent that that is the case. I hope that the electors of Bath will bear that in mind when it comes to the next general election.

Mr. Don Foster: Just to clarify the point, I neither proposed such an extension nor suggested it. Nor is it part of my party's policy, but the voters of Bath might be pleased to see that happen because of the impact it would have on Cribbs Causeway. It might persuade rather more of them to shop in Bath itself and to help the local economy, so I would not be too concerned if I did propose it.

Mr. Hill: I am fascinated by that response because, on a number of occasions in Standing Committee, and indeed in this debate, the hon. Gentleman has sought to persuade the Government to extend the workplace parking provisions to out-of-town shopping centres. Now we learn that it is not his party's policy—that is absolutely typical Liberal Democrat ambivalence.

I return to the substance of our exchanges. I listened with interest to the speech by the hon. Member for Poole (Mr. Syms). We have had a wide-ranging debate, but let me remind the House that new clause 30 would require revenue from workplace parking levy schemes to be used only to reduce business rates on premises in the area of a licensing scheme.

I propose to overlook the fact that the new clause flatly contradicts the previous Conservative new clause because, in my usual spirit of reasonableness, I am willing to acknowledge that, on the face of it, new clause 30 has some merits. That is obviously a source of consternation to the hon. Gentleman because he came as close as dammit—if that is an acceptable parliamentary expression—to conceding that it was a wrecking new clause. However, the fact is that it bears some consideration.

The measure would still give businesses an incentive to reduce the number of workers commuting to work by car—very good. Businesses providing relatively high levels of employee parking would pay a higher levy than those providing lower levels—very good. Recycling the revenue raised to reduce business rates in the area of the licensing scheme would mean that the levy placed no additional costs on business overall, although some individual businesses would be winners and some losers—very good, too.

The drawback to new clause 30 is that there would be no extra funding for local transport improvements. We believe that the success of charging and licensing schemes relies on the twin effect of their acting as a demand management tool and as a source of additional funding for transport improvements. In short, in addition to the workplace parking levy giving an economic incentive to encourage more people to switch from car use, substantial improvements to public transport, traffic management, cycling and walking provision will be vital to tackling congestion successfully. That is why the Bill gives schemes a guarantee of a minimum period of 100 per cent. hypothecation.

In our discussion of the Bill on Second Reading and in Committee, we heard Opposition Members stress the need for people to have alternatives to driving to work before new charges are put in place. We also heard about the particular problems of people in rural areas such as Salop,

[Mr. Hill]

who might drive to a nearby town or city to work. In answer, I have stressed that the Secretary of State will expect public transport improvements to be made in advance of new charges, and that the Bill allows local traffic authorities scope to fund complementary transport improvements in neighbouring rural areas. The hon. Member for Bath raised that issue, and I am very happy to repeat that reassurance. The Bill clearly makes that provision.

Mr. Paterson: Will the Minister give way?

Mr. Hill: I am happy to give way to the hon. Member for North Salop.

Mr. Paterson: I really must warn the Minister, for his own sake, not to use the abbreviation "Salop", which causes tremendous unhappiness. The abbreviation—as I have just managed to persuade the Driver and Vehicle Licensing Agency—is Shrops. However, does the Minister agree that in a constituency such as mine, with 98 villages, comprehensive public transport is inconceivable?

Mr. Hill: An entirely comprehensive transport scheme would be difficult to ensure. However, in the current three-year period, the Government's rural bus initiative has committed £170 million to new and enhanced rural bus services. Moreover, we have recommitted to that for the next three years. No fewer than 1,845 new and refurbished bus services have been secured for our rural areas. That commitment to the countryside was never contemplated by Conservative Members, but it has been broadly welcomed in the countryside.

The Government's target now is to ensure that, in the next five years, the great majority of parishes in England and Wales will have bus services within a six-minute walk. That is a real commitment to the countryside and to serious levels of public transport provision in the countryside. However, I should return to my main theme.

If the only possible use of the revenue from a licensing scheme is to offset business rates, where does it leave individual motorists? Their employers will still have a clear incentive to reduce their parking provision, and perhaps to prevent them from parking at work. If the Opposition's proposals were accepted, however, there would be no new money for transport improvements in and around the scheme's area, and many motorists might be caught in the dilemma of having no alternative to driving. The Government's aim is not to force people off the roads, but to give them real choices where none may currently exist. Giving people that choice is essential to tackling congestion.

We are fully aware of business's concerns about costs and competitiveness. None the less, we have to remember that congestion itself imposes on the UK economy a huge and growing cost—which the Confederation of British Industry estimates is more than £20 billion per annum. New powers to tackle congestion are essential. We place great importance on the need for licensing schemes to work with the grain of business. The Secretary of State will not approve licensing schemes that are designed only to raise revenue. It would not be acceptable simply to place additional burdens on business. Each scheme must demonstrate that it will have a direct impact on congestion before it is approved.

I cannot accept that, at the outset, offsetting business rates should be the only use of licensing scheme revenues, when our first priority must clearly be to address the years of inadequate transport funding by the previous Administration. In those circumstances, I very much hope that the hon. Member for Poole is willing to withdraw the motion and the new clause.

Mr. Syms: The workplace parking levy is a tax that will particularly hit large employers and inner-city and deprived areas. We shall press the new clause to a vote.

Question put, That the clause be read a Second time:—

The House divided: Ayes 132, Noes 371.

Division No. 190] **[6.25 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baldry, Tony
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Donaldson, Jeffrey
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Smyth, Rev Martin *(Belfast S)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary

Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Keith Simpson and
Mr. Stephen Day.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Austin, John
Baker, Norman
Ballard, Jackie
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony *(Chesterfield)*
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blackman, Liz
Blair, Rt Hon Tony
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burstow, Paul
Byers, Rt Hon Stephen
Cable, Dr Vincent
Caborn, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Rt Hon Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corston, Jean
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ennis, Jeff
Fearn, Ronnie
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gidley, Ms Sandra
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
Maclennan, Rt Hon Robert
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Rt Hon Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
Oaten, Mark
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick

Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Welsh, Andrew
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. David Jamieson and
Mr. David Clelland.

Question accordingly negatived.

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.*

Clause 148

CHARGING SCHEMES: CONSULTATION AND INQUIRIES

Amendments made: No. 214, in page 85, line 45, leave out "to (5)" and insert "and (3)".

No. 215, in page 85, line 46, leave out "and costs".

No. 216, in page 85, line 47, at end insert—

'(7) Where an inquiry is held by virtue of this section in relation to a charging scheme, or the variation or revocation of such a scheme, the costs of the inquiry shall be paid—

(a) in the case of a trunk road charging scheme made by virtue of section 145(2)(b), by the local traffic authority which requested the making of the scheme (or Transport for London, if it did), and

(b) in any other case, by the charging authority or authorities;

and the parties at the inquiry shall bear their own costs.'.—*[Mr. Robert Ainsworth.]*

Clause 150

CHARGING SCHEMES: EXEMPTIONS ETC

Amendment made: No. 217, in page 87, line 1, after "(1)" insert—

'and to section 147(1) and (3)'.—*[Mr. Robert Ainsworth.]*

Clause 152

EXAMINATION AND REMOVAL OF VEHICLES ETC

Amendments made: No. 218, in page 88, line 16, after "the" insert "motor".

No. 219, in page 88, line 21, leave out subsection (2) and insert—

'(2) The appropriate national authority may by regulations make provision enabling or requiring charging schemes under this Part to confer power on any person authorised in writing by the charging authority, or any of the charging authorities, to enter a motor vehicle where he has reasonable grounds for suspecting that—

(a) any equipment required to be carried in or fitted to it while it is on a road in respect of which charges are imposed has been interfered with with intent to avoid payment of, or being identified as having failed to pay, a charge imposed by the charging scheme, or

(b) there is in the motor vehicle a false document which has been made or used with intent to avoid payment of, or being identified as having failed to pay, such a charge.

(2A) A person commits an offence if he intentionally obstructs a person exercising any power conferred on him by a charging scheme under this Part by virtue of subsection (2).

(2B) A person guilty of an offence under subsection (2A) is liable on summary conviction to—

(a) a fine not exceeding level 5 on the standard scale, or

(b) imprisonment for a term not exceeding six months,

or to both.

(2C) The appropriate national authority may by regulations make provision enabling or requiring charging schemes under this Part to confer power on any person authorised in writing by the charging authority, or any of the charging authorities, to seize anything (if necessary by detaching it from a motor vehicle) and detain it as evidence of the commission of an offence under section 151(5) or (6).

(2D) A charging scheme under this Part may not authorise an examination of, or entry into, a motor vehicle unless it is on a road.'.'.

No. 220, in page 88, line 29, at end insert—

'(aa) the fixing of immobilisation notices to motor vehicles to which an immobilisation device has been fitted,'.

No. 221, in page 88, line 33, at end insert—

'and

( ) the sale or destruction of motor vehicles not released.

(3A) A person commits an offence if he removes or interferes with an immobilisation notice fixed to a motor vehicle in accordance with provision included in a charging scheme under this Part by virtue of subsection (3) in contravention of such provision.

(3B) A person commits an offence if he removes or attempts to remove an immobilisation device fitted to a motor vehicle in accordance with provision included in a charging scheme under this Part by virtue of subsection (3) in contravention of such provision.

(3C) A person commits an offence if he intentionally obstructs a person exercising any power conferred on him by provision included in a charging scheme under this Part by virtue of subsection (3).

(3D) A person guilty of an offence under subsection (3A) is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

(3E) A person guilty of an offence under subsection (3B) or (3C) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.'.

No. 222, in page 88, line 34, leave out "and in this subsection" and insert—

'( ) In this section'.

No. 223, in page 88, leave out line 37.—*[Mr. Robert Ainsworth.]*

Ordered,

That clause 152 be divided into two Clauses, the first consisting of subsections (1) to (2D) [*Examination, entry, search and seizure*] and the second of subsections (3) to (4) [*Immobilisation etc.*].—*[Mr. Robert Ainsworth.]*

Clause 154

TRAFFIC SIGNS

Amendment made: No. 225, in page 89, line 31, leave out—

'the Road Traffic Regulation Act 1984'

and insert—

'section 64 of the Road Traffic Regulation Act 1984 but also includes signposts and other signs and notices included in that term by section 71(2) of that Act'.—*[Mr. Robert Ainsworth.]*

Clause 162

LICENSING SCHEMES: CONSULTATION AND INQUIRIES

Amendments made: No. 226, in page 94, line 5, leave out "to (5)" and insert "and (3)".

No. 227, in page 94, line 6, leave out "and costs".

No. 228, in page 94, line 7, at end insert—

'(7) Where an inquiry is held by virtue of this section in relation to a licensing scheme or the variation or revocation of such a scheme—

(a) the costs of the inquiry shall be paid by the licensing authority or authorities, and

(b) the parties at the inquiry shall bear their own costs.'.—*[Mr. Robert Ainsworth.]*

Clause 164

LICENSING SCHEMES: EXEMPTIONS ETC

Amendment made: No. 229, in page 95, line 2, after "(1)" insert—

'and to section 161(1) and (3)'.—*[Mr. Robert Ainsworth.]*

Clause 167

RIGHTS OF ENTRY

Amendment made: No. 230, in page 96, leave out lines 19 and 20 and insert—

'(4) A person commits an offence if he intentionally obstructs a person exercising any power conferred on him by subsection (1) or (2).

(4A) A person guilty of an offence under subsection (4) is'.—*[Mr. Robert Ainsworth.]*

Clause 171

INFORMATION

Amendment made: No. 231, in page 97, line 18, after "department," insert—

'( ) the National Assembly for Wales,'.—*[Mr. Robert Ainsworth.]*

Clause 174

PART III: REGULATIONS AND ORDERS

Amendment made: No. 232, in page 99, line 15, at end insert—

'( ) The references in subsections (4) and (5) to regulations made by the Secretary of State include regulations made by him jointly with the National Assembly for Wales.'.—*[Mr. Robert Ainsworth.]*

Schedule 11

ROAD USER CHARGING AND WORKPLACE PARKING LEVY: FINANCIAL PROVISIONS

Amendments made: No. 233, in page 187, line 19, leave out from "a" to "the" in line 9 on page 188 and insert—

'relevant scheme and a financial year, means the amount (if any) by which—

(a) the amounts received under or in connection with the scheme which are attributable to the financial year, exceed

(b) the expenses incurred for or in connection with the scheme which are so attributable.

(2) For the purposes of this Schedule—

(a) the amounts received under or in connection with a relevant scheme, and

(b) the expenses incurred for or in connection with a relevant scheme,

and the extent to which they are attributable to any financial year, shall be determined in accordance with regulations made by the appropriate national authority.

(3) Regulations under sub-paragraph (2) may, in particular, provide that—

(a) any such costs of constructing, improving or maintaining roads in respect of which charges are imposed by trunk road charging schemes, and any such costs of managing traffic on those roads, as are specified by or determined in accordance with the regulations, or

(b) any such payments made for or in respect of the construction, improvement or maintenance of those roads, or the management of traffic on them, as are so specified or determined,

are to be regarded, to the extent so specified or determined, as expenses incurred for or in connection with the trunk road charging schemes.

(4) Where a trunk road charging scheme is made by virtue of section 145(2)(b), the relevant authority and the local traffic authority which requested the making of the scheme (or Transport for London, if it did) may agree that—

(a) the expenses incurred for or in connection with the trunk road charging scheme shall be taken to include specified expenses incurred for or in connection with the charging scheme in connection with which the trunk road charging scheme was requested, and

(b) the expenses incurred for or in connection with that other charging scheme shall be taken to include specified expenses incurred for or in connection with'.

No. 234, in page 188, line 31, leave out from beginning to "be" in line 42 and insert—

'5. Regulations made by the appropriate national authority may make provision for—

(a) the keeping of accounts relating to trunk road charging schemes, and

(b) the preparation and publication of statements of such accounts.

6.—(1) An account relating to a relevant scheme which is not a trunk road charging scheme shall be kept for each financial year by the relevant authority or jointly by the relevant authorities.

(2) A statement of every such account shall be prepared for each financial year by the relevant authority or authorities and published in the annual accounts of the relevant authority, or of each of the relevant authorities, for the financial year.

(3) Regulations made by the appropriate national authority may make—

(a) further provision relating to accounts required to be kept under this paragraph (including provision requiring or allowing the keeping of consolidated accounts relating to more than one relevant scheme), and

(b) further provision relating to the preparation and publication of statements of such accounts.

6A. At the end of each financial year any deficit in an account required to be kept under paragraph 6 shall'.

No. 235, in page 191, line 42, leave out sub-paragraph (6).—*[Mr. Robert Ainsworth.]*

Schedule 12

AMENDMENTS OF SCHEDULES 23 AND 24 TO GREATER LONDON AUTHORITY ACT

Amendments made: No. 236, in page 192, line 7, after "(1)," insert—

'in the definition of "net proceeds", for the words from ", means" to the end substitute "and a financial year, means the amount (if any) by which—

(a) the amounts received under or in connection with the scheme which are attributable to the financial year, exceed

(b) the expenses incurred for or in connection with the scheme which are so attributable;".

(3) In that sub-paragraph,'.

No. 237, in page 192, line 14, at end insert—

'( ) In that sub-paragraph, in the definition of "traffic sign", for "same meaning as in the Road Traffic Regulation Act 1984 (see in particular section 64 of that Act)" substitute "meaning given by section 64 of the Road Traffic Regulation Act 1984 but also includes signposts and other signs and notices included in that term by section 71(2) of that Act".'.

No. 238, in page 192, line 14, at end insert—

'( ) For sub-paragraph (2) substitute—

"(2) For the purposes of this Schedule—

(a) the amounts received under or in connection with a charging scheme, and

(b) the expenses incurred for or in connection with such a scheme,

and the extent to which they are attributable to any financial year, shall be determined in accordance with regulations under this sub-paragraph.".'.

No. 239, in page 192, line 24, leave out "to (5)" and insert "and (3)".

No. 240, in page 192, line 25, leave out "and costs".

No. 241, in page 192, line 26, at end insert—

'(4A) Where an inquiry is held by virtue of sub-paragraph (3)(b) above for the purposes of any order containing a charging scheme—

(a) the costs of the inquiry shall be paid by the charging authority; and

(b) the parties at the inquiry shall bear their own costs.'.

No. 242, in page 192, line 27, leave out—

'An authority by whom a charging order'

and insert "The charging authority".

No. 243, in page 192, line 30, leave out "order" and insert "charging scheme".

No. 244, in page 192, line 31, leave out "After paragraph 11" and insert—

'In sub-paragraph (2) of paragraph 11 (exemptions, reduced rates etc.), after "above" insert "and to paragraphs 4 and 6 above".

4A. After that paragraph'.

No. 245, in page 193, line 11, leave out—

'In paragraph 15(5)(b) (dealing with surpluses)'

and insert—

'(1) Paragraph 15 (accounts and funds) is amended as follows.

(2) In sub-paragraphs (1) and (2), for "of their income and expenditure in respect of" substitute "relating to".

(3) In sub-paragraph (3)—

(a) for the words from the beginning to "each" substitute "Each", and

(b) for "that year" substitute "each financial year".

(4) After that sub-paragraph insert—

"(4A) Regulations may make—

(a) further provision relating to accounts required to be kept under sub-paragraph (1) or (2) above (including provision requiring or allowing the keeping of consolidated accounts relating to more than one charging scheme); and

(b) further provision relating to the preparation and publication of statements of such accounts."

(5) In sub-paragraph (5)(b)'.

No. 246, in page 193, line 33, at end insert—

'.—(1) Paragraph 26 (examination of motor vehicles etc.) is amended as follows.

(2) For sub-paragraph (2) substitute—

"(2) Regulations may make provision conferring power on any person authorised in writing by the charging authority to enter a motor vehicle where he has reasonable grounds for suspecting, in relation to a motor vehicle which is on a road, that—

(a) any equipment required to be carried in or fitted to the motor vehicle while it is on a road in respect of which charges are imposed has been interfered with with intent to avoid payment of, or being identified as having failed to pay, a charge imposed by the charging scheme; or

(b) there is in the motor vehicle a false document which has been made or used with intent to avoid payment of, or being identified as having failed to pay, such a charge."

(3) After that sub-paragraph insert—

"(3) A person who intentionally obstructs a person exercising any power conferred on him by virtue of sub-paragraph (2) above is guilty of an offence.

(4) A person guilty of an offence under sub-paragraph (3) above shall be liable on summary conviction to—

(a) a fine not exceeding level 5 on the standard scale, or

(b) imprisonment for a term not exceeding six months,

or to both.

(5) Regulations may make provision conferring power on any person authorised in writing by the charging authority to seize anything (if necessary by detaching it from a motor vehicle) and detain it as evidence of the commission of an offence under paragraph 25 above."

.—(1) Paragraph 27 (removal or immobilisation of motor vehicles) shall be renumbered as sub–paragraph (1) of that paragraph and amended as follows.

(2) After paragraph (a) insert—

"(aa) the fixing of immobilisation notices to motor vehicles to which an immobilisation device has been fitted;".

(3) Insert at the end "and

(e) the sale or destruction of motor vehicles not released.

(2) A person who removes or interferes with an immobilisation notice in contravention of provision made by virtue of sub-paragraph (1) above is guilty of an offence.

(3) A person who removes or attempts to remove an immobilisation device fixed to a motor vehicle in accordance with provision made by virtue of sub-paragraph (1) above in contravention of such provision is guilty of an offence.

(4) A person who intentionally obstructs a person exercising any power conferred on him by provision made by virtue of sub-paragraph (1) above is guilty of an offence.

(5) A person guilty of an offence under sub-paragraph (2) above shall be liable on summary conviction to a fine not exceeding level 2 on the standard scale.

(6) A person guilty of an offence under sub-paragraph (3) or (4) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.".'.

No. 247, in page 194, line 37, at end insert—

'( ) In that sub-paragraph, in the definition of "net proceeds", for the words from ", means" to the end substitute "and a financial year, means the amount (if any) by which—

(a) the amounts received under or in connection with the scheme which are attributable to the financial year, exceed

(b) the expenses incurred for or in connection with the scheme which are so attributable;".'.

No. 248, in page 194, line 40, at end insert—

'( ) For sub-paragraph (2) substitute—

(2) For the purposes of this Schedule—

(a) the amounts received under or in connection with a licensing scheme, and

(b) the expenses incurred for or in connection with such a scheme,

and the extent to which they are attributable to any financial year, shall be determined in accordance with regulations under this sub-paragraph.".'.

No. 249, in page 195, line 10, leave out "to (5)" and insert "and (3)".

No. 250, in page 195, line 11, leave out "and costs".

No. 251, in page 195, line 12, leave out "(3)" and insert "(3)(b)".

No. 252, in page 195, line 12, at end insert—

'(5) Where an inquiry is held by virtue of sub-paragraph (3)(b) above for the purposes of any order containing a licensing scheme—

(a) the costs of the inquiry shall be paid by the licensing authority; and

(b) the parties at the inquiry shall bear their own costs.'.

No. 253, in page 195, line 22, at end insert—

'In paragraph 17(3) and (4) (exemptions, reduced rates etc.), after "(2) above" insert "and to paragraphs 7 and 9 above".'.

No. 254, in page 195, line 37, leave out—

'In paragraph 21(5)(b) (dealing with surpluses)'

and insert—

'(1) Paragraph 21 (accounts and funds) is amended as follows.

(2) In sub-paragraphs (1) and (2), for "of their income and expenditure in respect of" substitute "relating to".

(3) In sub-paragraph (3)—

(a) for the words from the beginning to "each" substitute "Each", and

(b) for "that year" substitute "each financial year".

(4) After that sub-paragraph insert—

"(4A) Regulations may make further provision relating to—

(a) accounts required to be kept under sub-paragraph (1) or (2) (including provision requiring or allowing the keeping of consolidated accounts relating to more than one licensing scheme), and

(b) the preparation and publication of statements of such accounts."

(5) In sub-paragraph (5)(b)'.—*[Mr. Robert Ainsworth.]*

Clause 182

PURPOSES

Mr. Michael Moore (Tweeddale, Ettrick and Lauderdale): I beg to move amendment No. 420, in page 102, line 23, at end insert—

'(d) to identify unmet needs for railway services;

(e) to expand the railway network where appropriate.'.

Mr. Deputy Speaker (Mr. Michael Lord): With this it will be convenient to discuss the following amendments: No. 410, in clause 183, page 102, line 26, at end insert—

'( ) the Secretary of State,'.

No. 408, in page 102, line 33, leave out "directions and".

No. 409, in page 102, line 34, leave out from "strategies" to end of line 38 and insert "of a general nature".

No. 459, in clause 184, page 103, line 19, leave out "and".

No. 460, in page 103, line 21, at end insert—

'and

(g) to facilitate the implementation of local transport plans provided for in section 92 of this Act.'.

No. 419, in clause 195, page 111, leave out line 39 and insert—

( ) 'Provided that before disposing of any land the Authority shall, in consultation with the local transport authority and other interested parties, consider what potential for rail or other sustainable transport related use such land might offer, and protect the land accordingly.'.

[Mr. Michael Lord]

No. 413, in clause 201, page 118, line 20, leave out from beginning to end of line 23.

Mr. Moore: The Minister had some problems with my constituency in Committee, so I remind him that it is Tweeddale, Ettrick and Lauderdale.

The amendment would extend the purposes of the Strategic Rail Authority. We are concerned that the Bill does not tackle the problems, mainly affecting rural areas, relating to the expansion of the network under the new regime. We are all aware of the substantial new investment already going into the rail sector and planned for the future. Railtrack recently published its latest network management statement. Over 12 months it has doubled its estimate of the investment to be made in the rail network in the next decade, although the latest list looked more like a wish list and a response to public concerns than a deliberate plan of investment. I am sure that we shall return to that issue in the coming months. Clearly, substantial investment is planned, and we hope that it will be delivered.

The new Strategic Rail Authority planned under the legislation has a crucial role to play in providing a focus for the development of the network and guiding where much of the investment will be made. Those of us who represent rural constituencies understand that many of the great projects connecting the large urban centres will grab the most attention and will require the most significant investment, but we believe that there is a requirement for a statutory duty to be placed on the Strategic Rail Authority to ensure that other parts of the country, particularly where demand for additional rail services has not been met, should be well served.

There are many campaigning groups throughout the country, each with the cherished hope of reopening lines. Reopening lines has become a new industry, in welcome contrast to the pattern of events over the past 30 years or more. There are many examples of groups seeking to reopen important links to particular communities. The proposed Matlock to Buxton line is the subject of a major study. Similarly, hon. Members have supported the reopening of the Sudbury to Cambridge line. As I represent part of the Scottish Borders, it behoves me to mention in passing the Waverley line. If my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) catches your eye later, Mr. Deputy Speaker, I am sure that he will wax eloquent about the need for that line.

In addition to the campaign groups, various studies are being carried out. DETR is sponsoring one on micro-franchising by the Transport Research and Information Network. That is an exciting idea on which I hope the Minister will be able to update us, as he said in Committee that the report should be produced before too long.

Sir Robert Smith (West Aberdeenshire and Kincardine): I welcome the amendment. Will my hon. Friend clarify the fact that it would encourage the Strategic Rail Authority to look at opening up new routes and stations such as Laurencekirk station in my constituency, on the Aberdeen line? A new station would encourage people to commute to Aberdeen and enable people living south of Aberdeen to access the rail network for inter-city journeys.

Mr. Moore: My hon. Friend gives an excellent example of the responsibilities that the Strategic Rail Authority would have under the proposed amendment, not simply in respect of the infrastructure links between towns and villages, but also in relation to stations. Clearly it would be important for the authority to work closely with Railtrack.

Why is there suddenly great demand to reinstate many of the lines that were so cruelly put out of use by the Beeching cuts and other misguided developments during the past 30 years and more? My hon. Friend referred to commuting, but economic development is also an important factor. The provision of an alternative route for freight is increasingly an issue for rural communities, not least following the Government's misguided intention of introducing 44-tonne lorries. Quite separately, there is the growing demand for tourism to be boosted by the development of rural rail services. That is not to be underestimated.

The Under-Secretary of State for the Environment, Transport and the Regions, the hon. Member for Streatham (Mr. Hill), said in Committee that he had last visited my constituency on the old Waverley line. That rather gave away his age. However, he came as a tourist and we have already invited him back so that he can climb the hills in my part of the country.

Apart from commuting and economic development, there is the additional benefit of social inclusion. Many rural communities and some quite sizeable towns are increasingly isolated from the main networks across the country and therefore do not benefit from economic and social benefits. The Government's agenda is clearly fixed on developing measures to tackle social exclusion. We believe that providing rail links where there is clearly a demand for them would help to deliver the social inclusion agenda.

6.45 pm

Those of us who represent constituencies where there were once railways are well aware of the impact of their closure over many years. We believe that the Strategic Rail Authority should be a catalyst for the regeneration of those areas and must knock heads together to ensure that Railtrack, train operators and others deliver proper services.

I hope that the Minister will respond positively to the amendment, but if he believes that it would not achieve what it sets out to do, I hope that he will be able to tell us what guidance the Strategic Rail Authority will be given to ensure that our objectives are met.

Amendment No. 419, on land sales, seeks to ensure that all rail and sustainable development options are fully considered by all the relevant parties before the Strategic Rail Authority enters into the sales process, and that if it identifies proper rail opportunities, the land concerned will enjoy protection from the Strategic Rail Authority and the Government.

The amendment is necessary because there is concern about the way in which the shadow Strategic Rail Authority has been conducting the land sale process.

In Committee, we had impassioned debates on the subject, highlighting the fact that the Government's intention of developing an integrated transport system with railways at its heart was being undermined by the fact that the shadow Strategic Rail Authority—or the British Railways Board—was continuing to enter into open sales of all its remaining land assets. No preferential terms are offered to local authorities or rail interest groups, nor are they given first refusal.

In Committee, we emphasised in particular the ludicrous situation in Edinburgh, where the Abbeyhill loop—a crucial part of the infrastructure around Waverley station and a key part of the east coast main line, and therefore of strategic importance nationally—despite having been identified by the local authority as a key area for development, had been included in the sales process. The local authority was facing the dreadful prospect of having to divert resources to fund the acquisition of that piece of land. In Committee the Minister was clearly taken aback by that ludicrous situation, and on our last morning he made the significant announcement that there was to be a reprieve for the Abbeyhill loop; it was to be taken out of the sales process and offered exclusively to Railtrack. I hope that in his reply the hon. Gentleman will let us know how the process has developed, and what steps have been taken since that debate to ensure that the sale to Railtrack is properly under way.

The issue of the Abbeyhill loop highlighted the more general fact that a new procedure was needed. The Government could not argue that they wanted to develop their integrated transport structure under the Bill and promote rail as a first choice in that system, while selling off potentially important bits of land to developers, or anyone else who wanted them.

The Minister said that it should not be necessary to raise each case on the Floor of the House to ensure that action is taken. We welcome that, but if the amendment is not accepted, we need to be reassured that the Minister and his Department have done something to ensure that the sales process undertaken by the shadow Strategic Rail Authority is revised, and that the Minister has issued officials with new guidance.

We have been told that no amendment is necessary, and we would like to believe that. However, as we have demonstrated, the sell-off process has undermined many of the assurances that have been uttered publicly at various stages over many months. Transport 2000 wrote to Sir Alastair Morton, the chairman of the shadow Strategic Rail Authority in February, asking him how he saw the sale process as consistent with the need to protect land, as many local authorities are trying to do, under local transport plans. In particular, it asked at what point the land became safeguarded. Is it when it is in a draft plan that is not yet ratified, or only when the local transport plan has been formalised by the Government, which we realise is still many months away?

The Government are sponsoring various studies of ways in which different modes of transport can integrate, and how we can get rid of some of the congestion on our roads, which we have discussed at length this afternoon. It would surely be premature to allow these key strategic assets to be sold off while those studies are being undertaken and before the local transport plans are finalised.

Transport 2000 advised me that the reply from Sir Alastair Morton was bland, which those who know his public persona may find surprising and unlikely. In any event, Transport 2000 gained no greater reassurance from that response.

We need assurances from the Minister this evening that as soon as land is included in local transport plans or identified as falling into that category, it will be safeguarded. We also need to understand how, under the new procedures introduced for the Abbeyhill loop, the Strategic Rail Authority intends to intervene to protect other land across the United Kingdom.

In a report in the *Financial Times* on 17 April, Juliette Jowit noted that Tom Winsor, the rail regulator, is revising the Railtrack licence and might give himself the power to veto future Railtrack sales of land—an equally important issue. That point has not, as far as I can see, been echoed elsewhere. It was not touched on in Committee. It is relevant to how the Strategic Rail Authority will proceed, and to other points that I have raised. It would be helpful if the Minister could indicate what the regulator's role will be in relation to Railtrack, and what the Government's overall vision is for the protection of land held in the public or private sector which may in the future have strategic use.

Integrated transport is the rallying call of the Bill, and we support it wholeheartedly. However, we do not believe that it will become a reality if the tools for integrating transport are stripped away from the relevant authorities before they take their formal powers. That would be a disaster for the vision; it would undermine what the Government want. We hope that in responding to the amendment, the Government will have a change of heart and demonstrate that they recognise that these are serious issues.

Mr. Syms: I shall speak to our amendments Nos. 408, 409 and 410 and to one or two others. One concern that we raised in Committee about the Strategic Rail Authority, which we welcome, is the Secretary of State's ability to interfere in its operation. Clause 179 provides that the Secretary of State will appoint members of the authority. Subsection (4) states:

> In making any appointment to membership of the Authority the Secretary of State shall have regard to the desirability of appointing a person who has experience of, and has shown capacity in, some matter relevant to the functions of the Authority.

People with experience that will add value to the authority will be appointed, and that we welcome. Yet clause 183, which sets out the purposes and strategies of the authority in the exercise of its functions, will allow the Secretary of State to interfere.

We believe that the authority should have the confidence of the Secretary of State if it has capable people on it, and the political boss—the Secretary of State—should not have the temptation to interfere in its strategies. Our amendments would allow the Secretary of State to give only guidance of a general nature, rather than interfering with strategic planning. We made that point in Committee and we still feel strongly about it.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I am pleased to take part in this short debate. I pay tribute to my hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore). There is nothing twee about Tweeddale—it is full of tweed, not tweeness. That might help the Minister to pronounce the name right eventually.

[Mr. Archy Kirkwood]

The veterans of the Standing Committee all look very well, considering the struggles that they had there. The Minister should not allow civil servants and parliamentary draftsmen to tack four separate Bills together and put the resulting Bill through the legislative process. Committee members have done well and been very generous. I know that my hon. Friend the Member for Bath (Mr. Foster) has played an active part in considering the Bill in Committee, but parliamentary consideration is very hard when so many different issues are bagged together. The Minister might bear that in mind for the future.

I endorse what my hon. Friend the Member for Tweeddale, Ettrick and Lauderdale said. The responsibilities and duties imposed on the Strategic Rail Authority are important. It should, as my hon. Friend said, be an active catalyst in promoting new railways and Railtrack initiatives. Its purpose should be, as much as anything else, to help communities realise their maximum economic potential, as well as considering the technical and commercial aspects of plans.

Our region has a population of 108,000, and there is no railway station anywhere in the region. It cannot be right, in this new century, that people in south-east Scotland are disadvantaged to that extent. There has been a great deal of public support for the idea that the Waverley route should be reopened, and that a rail corridor through the region connecting the city of Edinburgh to the top of the railway network at Carlisle should be reinstated as soon as possible.

A huge psychological blow was inflicted on communities such as Hawick in my constituency 30 years ago when the railway was removed. The Ministers here tonight were obviously not there at the time, except perhaps as tourists on trains going up and down the Waverley route. I remind them that their ministerial predecessors at the time gave assurances about guarantees of additional public transport being made available to make good the losses resulting from the withdrawal of the railway, but those promises were never made good. People feel bitter about that, and remember the ministerial undertakings that were never kept. If the Strategic Rail Authority is not flexible enough to revisit those questions, the ministerial assurances given 30 years ago may never be fulfilled.

7 pm

There is clear evidence that economic stagnation in south-east Scotland resulted directly from the withdrawal of the Waverley line in 1969. Economic growth in the Scottish borders has suffered over the past 30 years. If anyone needs evidence of that, a comparison with what has happened to similar communities within striking distance of Edinburgh, such as Fife or other parts of the central belt, which have kept and maintained rail links with the capital, will show that their growth has been vastly different from that in the borders.

I am particularly concerned about communities such as Hawick, which is suffering real depopulation as a result of dramatic job losses in the knitwear industry. The heart of Hawick was ripped out when the Waverley line was closed.

Mr. Richard Livsey (Brecon and Radnorshire): I fully support all that my hon. Friend is saying. Does he know that Dr. Beeching axed the whole north-south rail route in Wales—the only one we had—in 1963? In Brecon, 115 people lost their jobs when six lines were closed down. As my hon. Friend says, it is vital that we should take the opportunity to reopen some of those lines, because the economic impact of closure was disastrous, especially in Wales.

Mr. Kirkwood: I hope that the Minister will take a lead from my hon. Friend's helpful intervention by saying what powers are available. If the amendment is not acceptable, the Minister must make clear what we can expect from the SRA.

We have suffered job losses in areas such as Hawick, and there has been an impact on growth industries such as tourism, which are vital to rural parts of the UK. Also important is the ability of sectors such as agriculture to use transport at reasonable cost; the costs of transport in areas such as the highlands and south-east Scotland are high, and rising. It is becoming near impossible to attract any significant inward investment to areas denied access by their poor infrastructure.

The borders of Scotland have suffered greatly—perhaps more so, recently, than other parts of the UK, in terms of development and capital for road and rail infrastructure. I concur entirely with all that was said by my hon. Friend the Member for Tweeddale, Ettrick and Lauderdale about social inclusion, sustainability and integrated transport, all of which are essential. Individuals who live in areas such as south-east Scotland should be offered some degree of choice about how they travel. If there is no railway station in the region, choice is impossible.

Finally, the SRA should consider the transport of volume materials, such as timber, by heavy goods vehicles. Timber is a good example, not exclusive to Scotland. I know that Ministers are genuinely trying to promote improvements, but there are real concerns about the volume of timber being extracted from the forests of Wales and Scotland in places where a railway could have a positive impact. A few days ago there was a terrible tragedy at Langholm, in which two people were killed when a lorry spilled its load on to a road. The combination of inadequate roads and bigger lorries causes concern.

The timber industry is under financial pressure, and there is a temptation to do the job in ways that may prejudice safety. The guidelines need to be reconsidered. The Kielder forest has huge timber resources, and the planned southern borders railway would be a positive contribution to dealing with the problems raised. It would also spare small village communities that would otherwise suffer from 44-tonne trucks thundering through day and night, causing both inconvenience and danger.

I appeal to Ministers to accept the amendment. This cannot be simply a technical or financial question. The SRA must have the flexibility to look into the wider issues. If it does, it will be able to promote the development of some of the communities that we represent in ways that will not be possible unless the Bill includes explicit ministerial powers. Our amendment seeks to add those powers, and I support it.

Mr. Paul Burstow (Sutton and Cheam): I, too, support amendment No. 420, which would improve the Bill by clarifying the purpose of the Strategic Rail Authority and including a requirement to identify unmet need. I can illustrate that need by the experience in my constituency of the services by Connex SouthCentral.

The Minister will be aware that the latest performance figures rate Connex in category C. In the first national survey of commuters recently, Connex scored poorly on customer satisfaction—just 71 per cent. were satisfied or very satisfied with its services. Only yesterday, the *Evening Standard* published an analysis of complaints: across the rest of the south of England, complaints fell for the first time since privatisation, but Connex bucked the trend—complaints were up by 31 per cent., which is an appalling record.

From letters from constituents, I know that people feel that the services that they receive are very poor and do not meet their need to travel comfortably in a train that is not like a cattle truck. The Under-Secretary was present at a recent Adjournment debate initiated by my hon. Friend the Member for Carshalton and Wallington (Mr. Brake), who, with me, highlighted serious defects in current services. Connex is providing a quite rotten service.

The amendment goes to the heart of turning the service round and meeting the needs of my constituents. My hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore)—*[Interruption.]* I have not had as much coaching in the pronunciation of Tweeddale as have members of the Standing Committee. My hon. Friend discussed long-cherished hopes for the opening up of lines long closed. My hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) has told us of the economic, social and other benefits that would arise. My constituents have a far more modest and less ambitious aim: they simply want Cheam station to be brought up to scratch.

Connex has been promising for years to invest in improving the facilities of Cheam station. Instead, the company has allowed the station to be vandalised, run down and neglected. The station makes people wish not to use the railway. It makes them feel unsafe and insecure. I shall paint a brief picture of the station; it may not have the colour and flamboyance of the Waverley line, but my constituents are concerned about it. The canopies that protect the travelling public if it is raining as they go up to London in the morning are broken. They have been broken for as long as I and many other people can remember. I have written numerous times to Connex, and have extracted promises that work would begin. Promises were made the year before last, and last year, but the work has not started yet.

If the Government cannot accept the amendment, my constituents undoubtedly still have an unmet need—to be able to wait for trains without getting soaking wet at Cheam station. They are receiving a C class service. I hope that the Minister will use his good offices to ensure that Connex honours its long-given promises and to secure the investment that will improve that station. It may not involve the opening of a new line, but it will certainly make a big difference to many of my constituents.

Mr. Raynsford: We have had a short but interesting debate on a matter that is of real concern to many hon. Members—in particular those who represent areas that lack rail services or whose constituents do not have a service of a sufficiently high quality.

I will try to respond to the matters raised and to do justice to the range of amendments. There is a wide range of amendments in this group, some of which would have a different effect from that moved by the hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore), whose constituency name caused a certain amount of merriment and difficulty in Committee. The civil service, with its incomparable skill in finding a way around such a difficulty, quickly had the hon. Gentleman down as "TEL". I will not draw any conclusions as to whether associations could be made with other people with a similar-sounding acronym.

The hon. Gentleman made a powerful case for action to deal with areas in his constituency—he sensibly and generously extended his comments to cover a wider area—where the absence of rail services has inevitably affected the availability of public transport options for people in need.

This group of amendments reaches the heart of the reasons for the establishment of the SRA and the way in which it will operate. First, the amendments would add specific items to the primary purposes of the authority and to the manner in which it must exercise its functions, as well as requiring it to review its property portfolio. Secondly, they would affect the overall coherent direction of railway policy by removing the Secretary of State's power to direct the authority and the requirement that the rail regulator should facilitate the furtherance by the authority of any strategies that it has formulated with respect to its purposes.

I shall start with amendment No. 420, as it would add to the fundamental purposes of the authority. The amendment raises an important question: the way in which potential unmet future demand for railway services can be met.

The aims of the amendments—to ensure that the authority identifies unmet needs for railway services and can expand the network where appropriate—are aims with which we totally agree. We are setting up a strategic body to plan for the long-term development of the railway network—to fill a gap that was left when the railways were privatised in a way that weakened the strategic overview. We recognise that demand is growing, that the railway needs developing and that the structure is not in place to meet that challenge. We have said that we want railways to take their rightful place at the heart of an integrated transport system. That is why one of the three high-level purposes that are to be part of the mission statement of the SRA, as set out in clause 182(b), is to

> secure the development of the railway network.

That is already in the Bill: it is clear and unequivocal. We are keen to secure the development of the railway network.

That purpose includes considering the possible expansion of the network and the need for new lines to meet demand where appropriate. We have taken that purpose seriously and have given the SRA the tools to do the job. The SRA will be a facilitator and promoter of schemes. It will not necessarily take forward schemes itself—often that is the proper job of industry or of local authorities.

We have given the authority the tools that it needs in clause 188. Those powers are deliberately wide so that it can encourage and promote the industry by giving financial assistance or can assist in other ways. Where necessary, the authority can go as far as promoting a Bill in Parliament to facilitate growth, or it can request the rail regulator to direct facility owners to enhance facilities or provide new facilities.

[Mr. Raynsford]

It is that variety of tools, along with the high-level purpose to which I referred, that answers the concerns of Liberal Democrat Members as to how their objectives will be met. Schemes to expand the network to meet need will come from a variety of sources. The authority is in the prime position to encourage and support as appropriate. It will take a view on whether a proposal fits with its strategies for securing the development of the network. If it does, it might be commercially viable in its own right and it can be taken forward without difficulty by the industry. In cases where a proposal is not commercially viable, the SRA will be able to consider whether some direct public support is justified. It will have funds such as the rail passenger partnership fund to help with innovative schemes. It can also look at ways of sharing risk between the public and private sectors, where that might be the necessary precondition for getting a scheme to operate.

7.15 pm

Imaginative proposals to reopen lines are already being produced. I am therefore optimistic that the right structure will be in place when the Bill is enacted to enable the objectives so eloquently set out by those on the Liberal Democrat Benches to be met. I can assure the House that the SRA already covers those aims in its primary purposes and that we have given it the tools to do the job.

Amendments Nos. 459 and 460 would adversely affect the manner in which the SRA carried out its functions, and we do not consider them helpful or appropriate. We made it clear in Committee that we expect the SRA to facilitate and lead consultation with local and regional government. The SRA's strategies will promote rail use within an integrated transport system. Consistent with that national framework, the SRA will take account of the views of local and regional bodies. That will involve extensive consultation to identify the opportunities for rail.

We expect decisions about services to be taken in the light of local transport plans. However, the process needs to be a two-way process so that local plans are consistent with the national framework. That is why it is preferable to deal with the relationship in our guidance on local transport plans and in directions and guidance to the SRA, rather than on the face of the Bill. There are a great many policies and plans that the SRA will need to consider and it would be inflexible to specify them all in the Bill. Such a course would also fall foul of a problem that we frequently identified in Committee, to which we referred in shorthand as the "list" problem: if one identifies certain problems but fails to identify others, it is possible to infer that they have not been treated equally seriously.

The shadow SRA is starting to receive local transport plans and to assess them. It will consider all LTPs now that the new regime is in place. I hope that that answers the concerns of the hon. Member for Bath (Mr. Foster), who asked in Committee whether transport plans are being viewed by the shadow SRA. This will be part of a continuing process, as will communication of the shadow SRA strategy to local authorities.

Before I deal with the underlying purpose of amendment No. 419, I should explain to the House that it may be based on a misunderstanding of clause 195. That clause concerns non-operational land that the SRA will inherit from the British Railways Board. By definition, subsection (2) of the clause relates only to land that the SRA does not need for the discharge of its other functions; that means, for example, land that has no prospect of future railway use. There is no need for the amendment because "land" under clause 195(2) cannot be land with potential rail use. If the land does have the prospect of future railway use, the Bill means that it is dealt with in accordance with the SRA's overall purposes, strategies and functions. That in itself is an important safeguard.

If the land does not have a railway use, the Secretary of State can direct the SRA about the way in which the land is to be disposed of. Such a direction could require the SRA to dispose of the land for alternative transport purposes. Cases can also be considered individually by the SRA on their merits.

Setting aside the technical aspects of the amendment, I recognise that the land issues continue to attract attention and concern, and to generate campaigns locally and nationally. The shadow SRA's property review, completed in September 1999, identified some 1,400 sites, of which only 200 were considered to have any transport potential. The remaining properties are small, disparate sites, or sites with development problems of poor access or land contamination. Many are remote from the operational railway.

Since the lifting of the suspension of land sales imposed during the review, the British Railways Board—as part of the shadow SRA—has initiated the first phase of sales, affecting some 600 sites, which will be undertaken under the new marketing process which gives priority to transport uses.

As the Under-Secretary of State, my hon. Friend the Member for Streatham (Mr. Hill) said in Committee, we cannot simply say that all former railway land should be put to one side. We have to reach decisions on a sensible basis, taking into account whether there is a realistic prospect of rail use in the foreseeable future. That is why the marketing process strikes a balance between disposing of surplus land and ensuring that sites for future transport use are identified.

I repeat to the House the assurance that my hon. Friend gave the Committee: the SRA will not take a short-term view. The creation of the shadow SRA, consisting of BRB and the Office of Passenger Rail Franchising working closely together, means that land decisions by the BRB can be taken in the context of the shadow SRA's strategic considerations. That is a significant improvement. For example, it means that the BRB is not proceeding with the sale of any sites on the proposed east-west route from Cambridge to Oxford until a decision is taken on that important new rail scheme—or, rather, old closed rail scheme which may become a new rail scheme. The BRB will also think very carefully about any strategic freight sites. It will not rush to sell sites with potential for rail freight ahead of other sites in its portfolio, except where there is already a clear demand for them. That demonstrates that we are not repeating past mistakes by acting rashly and ordering BRB to sell off all land as quickly as possible.

We look to Railtrack and the industry to identify and acquire sites with transport potential. My hon. Friend the Member for Streatham made it clear in Committee that the current sales process is not inexorable; it can and will be halted where there is strong justification for doing so. If sites with rail potential are not acquired by the rail

industry or local authorities, the shadow SRA will consider whether they should be retained for strategic use. That will involve some careful choices if we are to avoid the problems of blight and lost development opportunities that would otherwise arise if too much land were sterilised in that way. I hope that the commitments given in Committee, which I have repeated today, provide reassurance.

The second theme of the group of amendments is to question the way in which we can ensure that overall control and development of the railways pulls in the same direction.

Amendment No. 413 would amend clause 201, which itself amends section 4 of the Railways Act 1993. That sets the general duties of the Rail Regulator—and the Secretary of State—to reflect the changes that we are making in the railway industry. One way in which it does so is to ensure that the Rail Regulator and the authority work on the same broad strategic goals.

The amendment, tabled by Conservative Members, relates to the new duty that we have placed on the Rail Regulator, requiring him to facilitate the furtherance by the authority of its strategies. Let me make this absolutely clear: the Rail Regulator remains independent. It is still for the regulator to balance his various duties and objectives and take decisions that are in the best interests of the railway and its users. However, we need to ensure that, while taking account of these different functions, we align the Rail Regulator's duties as closely as possible with the authority's, so that they are moving in the same direction rather than working against each other.

The strategies that the authority will develop are fundamental to the future of the railway, and will be a vital consideration for the regulator when taking decisions relating to his own functions. It makes no sense to require the authority to formulate strategies if the regulator is free to ignore them. The provision is to preserve the balancing act that the regulator must maintain in carrying out his section 4 duties, and it defines one of the most important relationships between the regulator and the SRA.

Amendments Nos. 410, 408 and 409 are rather different. They seek to reduce substantially the power of the Secretary of State to direct the SRA and to give him instead the role simply of giving guidance and of a consultee. I, for one, do not consider that that is sufficient. Whatever their views on the specific policy, the people of this country are rightly concerned and vocal about transport policy. They expect their elected Government to take transport seriously, which we have done and will continue to do. To do so, we need to retain overall direction of railways policy, which these amendments would take away from us.

The SRA will be at the heart of the future direction and development of the railway network, and its strategies will provide the route map for the future. That is why we have, and need, these powers. The Secretary of State will be accountable to the House for the SRA as well as for its wider policies. To be accountable, he must have some control over the SRA that goes further than guidance or consultation.

It may reassure—or possibly discomfit—the hon. Members for Poole (Mr. Syms) and for Tunbridge Wells (Mr. Norman) if I remind them that the powers that they seek to do away with are not new, and are indeed well precedented.

Mr. Syms *indicated assent.*

Mr. Raynsford: They occur, as the hon. Member for Poole rightly recognises, in the Railways Act 1993, which was so often referred to in our Committee proceedings, and with which both hon. Gentlemen will be very familiar. The Secretary of State currently gives objectives, instructions and guidance to the franchising director under the powers contained in the 1993 Act. By contrast, the prime objectives of the Strategic Rail Authority are on the face of the Bill, while the direction and guidance power available to the Secretary of State is equivalent to that in the 1993 legislation. I hope, therefore, that Conservative Members will recognise that their amendments are not appropriate and should be withdrawn.

In conclusion, I shall briefly refer to the specific points raised by hon. Members. The hon. Member for Tweeddale, Ettrick and Lauderdale raised several issues. He specifically asked when we could expect to see the micro-franchising report. The answer is that it is due in June. I hope that that is a more specific response than that which the hon. Gentleman received in Committee: it is compatible with that response but more specific. We see no objection in principle to decentralised operation, which is, as the hon. Gentleman well knows, known as micro-franchising, but the shadow SRA will want to study the report and analyse the pros and cons of these options in detail.

The hon. Gentleman also asked how guidance to the SRA would be given to achieve the objectives of his amendments. There is no need to give guidance to secure the development of the network because, as I have said, that is already one of the three overarching objectives specified in the primary legislation.

The hon. Gentleman wanted to know the position in relation to land when local transport plans were outstanding. The rigorous process of consultation that we shall put in place will ensure that land with rail potential is identified. As I have explained, there will be no question of land with rail potential being disposed of. There is therefore no need to wait for local transport plans before decisions are taken.

The hon. Gentleman wanted to know the specific position in relation to Railtrack and the rail regulator protecting land disposal. I can confirm that the regulator is considering a new licence condition which, subject to consultation, would impose on Railtrack controls on the disposal of relevant assets, including land. I hope that the hon. Gentleman will feel comforted by that.

The hon. Member for Poole, in an admirably short speech, simply expressed concern about the role of the Secretary of State. I hope that I have made it clear that the Secretary of State has an important role, as he is responsible for the overall operation of railway policy and transport policy and is answerable to the House. I am pleased that the hon. Gentleman approved of the terms of clause 179(4), under which the Secretary of State must appoint people with considerable qualifications to positions in the Strategic Rail Authority.

The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) started unhelpfully by complaining about the structure of the Bill. He said that it was four Bills in one. He obviously had not listened closely to his colleague the hon. Member for Tweeddale, Ettrick and Lauderdale, who completed his speech by congratulating the

[Mr. Raynsford]

Government on their objective of integration. Our proposals are a classic illustration of integration, so I cannot accept the point made by the hon. Member for Roxburgh and Berwickshire.

7.30 pm

I listened with concern and interest to the comments made by the hon. Member for Roxburgh and Berwickshire about the problems created by the shortage and the inadequacy of the transport services in the area that he represents. I spent a few days in the vicinity of Kielder forest recently and I can entirely endorse his comments about the problems caused by large timber-carrying trucks on a road network that was simply not designed to cope with such pressures. I am equally aware that the local rail service closed in the 1960s. That was a sad loss to the area, in the same way as the loss of railways is a sad loss to other areas.

The hon. Gentleman asked about the opportunities that would encourage the carrying of timber by rail. We are keen to encourage rail freight when that is possible and when it is good value. The shadow SRA is working on the freight element of its strategy, covering vital issues of capacity, demand and investment. The details are still being developed, but the overall objective is more freight by rail. The SRA will bring together freight and strategic planning for the first time; we will make progress in that direction.

I have a great deal of sympathy for the hon. Member for Sutton and Cheam (Mr. Burstow) when he talks about the poor standard of service provided by the train operator, Connex SouthCentral, in his territory. My hon. Friend the Member for Streatham has similar experience of Connex SouthCentral, and Connex SouthEastern operates in my constituency, so I am not unaware of the complaints that are made by many constituents. I can only say in encouragement to the hon. Gentleman that the protests, which I was happy to convey to Connex, of many of my constituents—they used to get wet when they waited at Woolwich Arsenal station because of the inadequacy of the platform cover—have at last led to action being taken. I wish him well in his campaign to achieve similar results for his constituents who use Cheam station.

I hope that I have done justice to the points made in the debate and explained why the amendments are either unnecessary or undesirable. I urge the hon. Member for Tweeddale, Ettrick and Lauderdale to withdraw his amendment.

Mr. Moore: I am afraid that, despite the Minister's mastery of my constituency name, I shall have to disappoint him. He was untypically churlish in attacking my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) for his views on the Bill. The view has been expressed—not least by my hon. Friend the Member for Bath (Mr. Foster)—that the staples it contains are the only things integrating the Bill before us. It is a mammoth effort and we shall return to the points behind it on Third Reading.

We are unconvinced by the Minister's arguments about land sales and particularly about those on rural—

It being four hours after the commencement of proceedings on consideration of the Bill, MR. DEPUTY SPEAKER, *pursuant to Order [9 May], put forthwith the Question already proposed from the Chair.*

Question put, That the amendment be made:—

The House divided: Ayes 44, Noes 321.

Division No. 191] **[7.33 pm**

AYES

Allan, Richard
Ashdown, Rt Hon Paddy
Baker, Norman
Ballard, Jackie
Beggs, Roy
Bell, Martin *(Tatton)*
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burstow, Paul
Campbell, Rt Hon Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Davey, Edward *(Kingston)*
Donaldson, Jeffrey
Fearn, Ronnie
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Kirkwood, Archy
Livsey, Richard
Llwyd, Elfyn
Maclennan, Rt Hon Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Smyth, Rev Martin *(Belfast S)*
Stunell, Andrew
Taylor, Matthew *(Truro)*
Thompson, William
Tonge, Dr Jenny
Tyler, Paul
Webb, Steve
Willis, Phil

Tellers for the Ayes:
Sir Robert Smith and
Mr. Tom Brake.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Atkins, Charlotte
Austin, John
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony *(Chesterfield)*
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Rt Hon Stephen
Caborn, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*

Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ilsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Rt Hon Alun
Michie, Bill *(Sheffld Heeley)*
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. David Jamieson and
Mr. David Clelland.

Question accordingly negatived.

Clause 200

REGULATOR'S POWER TO REQUIRE PROVISION ETC. OF RAILWAY FACILITIES.

Mr. Pernard Jenkin (North Essex): I beg to move amendment No. 412, in page 113, line 4, leave out clause 200.

Mr. Deputy Speaker (Mr. Michael Lord): With this it will be convenient to discuss the following amendments: No. 414, in clause 201, page 119, line 7, leave out "him" and insert "the Authority".

No. 415, in page 119, line 8, leave out from "State" to end of line 15.

[Mr. Michael Lord)]

No. 416, in clause 202, page 119, line 24, leave out "is reasonable" and insert—

'shall be commensurate with the contravention and with the turnover and profitability of the relevant operator provided that the appropriate authority is satisfied that such an imposition will help fulfil the general duties set out in section 4 of this Act.'.

No. 417, in page 127, line 1, leave out Clause 208.

Mr. Jenkin: I am pleased that we have an opportunity to discuss one of the most important clauses in the railway part of the Bill. What was the Railways Bill until it was included in the Transport Bill in the previous Session has been characterised as potential renationalisation by the back door. In deference to the swoons of the Under-Secretary who has tilted his head back and cast his eyes heavenwards in a manner reminiscent of a pantomime dame suffering from a hot flush, I acknowledge that he has addressed a principal concern about franchising and the possibility of the Strategic Rail Authority taking over and running rail franchises, making clear that those powers are to be used as a last resort. The hon. Gentleman will correct me if I am wrong, but I believe that the Bill clarifies the matter.

Clause 200—which was clause 17 in the Railways Bill and clause 198 in the Transport Bill before it was amended in Committee—entitled "Directions to provide etc. railway facilities", provides for an entirely new power. The regulator, following an application by the SRA, is empowered to direct a facility owner of an existing railway facility to provide a new railway facility, or improve or develop the existing one. The regulator carries out the SRA's direction.

There is no analogous power in the existing railway set-up. In principle, we do not object to the existence of the Strategic Railway Authority, but we have a fundamental objection to it having such powers, which are an expression of the Secretary of State's immature and socialist desire to interfere with the running of the industry and to play trains. It should not be necessary to have such a power over a sophisticated industry.

It would have been absurd if, for example, following the privatisation of British Airways, the Civil Aviation Authority had maintained a power, supervised by the Secretary of State, to direct it to provide certain services or purchase certain facilities. There is no such power over BAA plc. The Minister has frequently retreated to the original Railways Act 1993, but it contains no such power, even in relation to its implementation.

Mr. Raynsford: That led to problems.

Mr. Jenkin: The Minister says that that led to problems. Certainly there are problems to be solved in relation to the railways. I hope that the Minister is prepared to debate whether direct intervention by the SRA, as envisaged in clause 200, or indirect intervention by the Secretary of State through his influence over the SRA, will help to solve those problems.

This would be a substantial change. It is worth pointing out that the power is constrained. It is surprising that only the SRA can apply to the regulator for provision, improvement or development directions under the clause. The regulator must take into account the effect on the SRA's budget, so its views will be of considerable importance.

The clause puts significantly more power into the hands of the SRA than previously, and has the potential to undermine the original arrangements in clause 17 of the Railways Act 1993. That creates the danger of an investment bottleneck, as was said by a leading firm of railway solicitors.

Mr. Raynsford: Sue, Grabbit and Run.

Mr. Jenkin: I accept that the Minister for Housing and Planning is a little light-hearted as we reach the end of our consideration of a marathon Bill, which is accompanied by a telephone directory of Government amendments and new clauses. However, we are talking about the firm of Denton Hall.

Denton Hall is the firm of solicitors from which the much celebrated rail regulator, Mr. Tom Winsor, came. I hope that that leading firm of railway solicitors, which spawned the rail regulator, who is now such a champion of the Secretary of State's policies, will not be dismissed too lightly. The firm describes the clause as

an investment bottleneck . . . operators will not be able to bring forward their own investment schemes without obtaining the SRA's approval at the outset.

Why that is so deserves some explanation.

The clause states:

The Regulator may, on application—

(a) made by the Authority, or

(b) made by any other person with the consent of the Authority,

give to a person who has an estate or interest in, or right over, an existing railway facility a direction to improve or develop the railway facility.

It is a huge power to be able to tell, for example, Railtrack, to spend or invest real cash. That might be desirable; indeed, I remember that, according to the Secretary of State, that was one of the Bill's great selling points. The right hon. Gentleman advertised the Bill as a way in which to force Railtrack to invest. That is one of the contributory factors that have directly undermined Railtrack's ability to invest. If it becomes the regulator's ability to compel Railtrack to invest shareholders' funds in projects that will not produce a commensurate return, shareholders will naturally think that the company is not worth investing in.

I am sure that the Minister is getting ready to tell me that there is a qualification—an obligation—on the regulator. I shall not go into too much detail because the clause is lengthy. If the railway facility provider—supposedly Railtrack—can demonstrate that it cannot earn a sufficient return from the investment, the rail regulator and the SRA cannot force the company so to invest. So, we face a curious situation: the clause compels Railtrack or any other railway facility provider to invest, but if it is not worth investing in that facility, compulsion becomes invalid.

One might ask why any company would not wish to invest in something from which it will earn a worthwhile return. The rates of return are set by the rail regulator in any case, so unless there is a falling out between Railtrack and the regulator—we hope that that falling out is being resolved, although the process is extremely lengthy; I

suggest that the Government bear some responsibility for that—or the company is perverse, it would want to invest in facilities that provide a return.

The power in the clause will not increase the amount of investment that will be made. The result will be that Railtrack and every railway facility provider will want to check with the SRA whether the project is one in which the SRA would want it to invest. That is why the clause constitutes an investment bottleneck.

In voting on the amendment, the House is offered the choice between a railway that is free to make investment decisions, which business people think will best satisfy customers and provide a return for shareholders, and a railway that is constrained and corralled by a successor state bureaucracy to the British Railways Board, which so constrained the development of the railway over 45 years of nationalisation.

Let us reflect on what happened before privatisation and what has happened since. Before privatisation, there was a relentless decline in the number of passengers carried on the railway. Since privatisation, there has been an explosion of marketing, innovation and investment and a huge increase in the number of passengers, which we are the first to accept creates its own problems. This Government are the first to celebrate the 1,000 extra daily services on the railway since they came to power, yet those extra services are as a result of releasing the railway from precisely such restriction and interference. The Government are in danger of again placing the railway under such constraints, which will finish up starving it of investment by driving away investors who do not have the patience or confidence to wait for the bureaucrats to make up their minds.

Let me hasten to add that I am not making any personal criticism of the chairman of the Strategic Rail Authority. However, his role should be much more that of a facilitator and a catalyst. There is a place for such a role in the industry if the Secretary of State and Ministers cannot themselves fulfil it, but to hand over such broad powers is a mistake and one reason why we fundamentally oppose the Bill's railway provisions.

I shall briefly refer also to amendments Nos. 414 to 417. Amendments Nos. 414 and 415 amend provisions in clause 201 on the objectives of the regulator and the Secretary of State. I am looking for amendment No. 417, and I cannot find it, but if I am not mistaken it deletes subsection(2)(b)—*[Interruption.]* I beg your pardon, Mr. Deputy Speaker, I am on the wrong track. We could well have desired to delete that part of the clause, but I will not go into further detail because I would not be in order. I shall turn to amendment No. 417 in a minute.

Amendments Nos. 414 and 415 relate to the guidance that the Secretary of State gives to the rail regulator. Section 4(5) of the Railways Act 1993, which set up the office of the rail regulator, states:

> The Regulator shall also be under a duty in exercising the functions assigned or transferred to him under this Part—
>
> (a) until 31st December 1996, to take into account any guidance given to him from time to time by the Secretary of State.

It is important to point out that such guidance was relevant purely to the implementation of the Act and that the Secretary of State's power to issue it expired. The regulator thereby became an independent person, undertaking a fundamentally quasi-judicial role in the execution of his duties.

The Government have made a conscious and political decision to turn the regulator from someone dispassionate and relatively uninvolved in the politics of the industry into an active player in such politics. To give an example of such a change, it was not right for the rail regulator to issue a press release following the Paddington crash suggesting that he might remove Railtrack's licence if it did not prove to be a safe operator.

8 pm

The regulator had no case for making such a suggestion. It was purely bandwagon-jumping in the aftermath of the horror of that crash. It was a populist move which demonstrated that the present regulator sees himself as some kind of new Labour people's champion, rather than a dispassionate regulator of the industry. He told me that he regards himself as the voice of the customer, rather than an interpreter of statute and an enforcer of conditions laid down in agreed rules.

Such politicised regulation should not exist, but the Bill provides precisely for it by restoring the authority of the Secretary of State to issue guidance to the regulator in perpetuity. That is why we have tabled an amendment. It is reasonable for the SRA to receive guidance from the Secretary of State. The amendments make it clear that the Secretary of State can issue guidance to the authority, but not to the regulator.

I shall speak briefly to amendment No. 416, which refers to clause 202 and the enforcement regime. It raises our third fundamental objection to this part of the Bill. The penalties that the regulator can apply are much wider than those in the Railways Act 1993. They can be imposed retrospectively, without limit. For example, the regulator is at present threatening Railtrack with a substantial fine—I do not remember the exact figure, but it is millions of pounds—in relation to a two-year period during which Railtrack has improved its performance by 9 per cent.

As a result of the Southall rail crash, the train operating company received a fine of less than £2 million, for an accident which resulted in people being killed. It seem extraordinary that although Railtrack improved its performance by 9 per cent., it will be fined many millions of pounds just because it has not reached the target set by the regulator.

Yes, I am sure that the regulator is within his powers, and yes, I am sure that that will raise a cheer from the populist press, but the regulator should ask himself whether such fines are in the interests of a better railway, or whether they are being imposed so that he can be the passengers' champion and play to the gallery.

We propose an amendment to clause 202, which extends the enforcement regime. Rather than leaving the scale of the penalty at

> such amount as is reasonable,

we suggest that the fine should be of such an amount as

> shall be commensurate with the contravention and with the turnover and profitability of the relevant operator provided that the appropriate authority is satisfied that such an imposition will help fulfil the general duties set out in section 4 of this Act.

The general duties in section 4 of the 1993 Act are to run a better railway.

Unless the fines are proportional and it can be demonstrated that they provide the incentive to make sure that the railway providers offer better trains, services and

[Mr. Jenkin]

facilities for passengers, what is the purpose of the fines? I do not see why the Minister should not accept the amendment.

Finally, amendment No. 417 proposes that clause 208 should be omitted from the Bill. One of the most iniquitous things that a regulator can do is to move the goalposts during the period of an agreement. The clause effectively gives the regulator powers to amend access agreements, which are the agreements between the train operating companies and Railtrack, unilaterally. Unless the operators have the certainty of their franchise contracts and their access agreements, commercial confidence in the railway's finances will be undermined.

Will the Minister explain how it can be just to give the regulator such wide powers? I can see that it would be convenient and provide more flexibility for the regulator, and might also be convenient for the operators, but it seems extraordinary that the regulator should have powers to change the access agreements by his own diktat.

This is an important group of amendments, dealing with the powers of the regulator and the directions of the Strategic Rail Authority, which go to the heart of some of the problems in the Bill. I hope that even at this late stage, the Minister will take on board some of the points that I have made in the hope of improving the Bill.

With all the extra regulatory and commercial uncertainty created, the huge shopping list of investment projects needed for the railway—£52 billion is specified in the network management statement—as well as the queue of investment proposals from the train operating companies and the refranchising procedure, the danger is that unless we can provide confidence and certainty for investors and a stable regulatory regime, the money will not be forthcoming and the burden on the taxpayer will once again increase.

The only extra money that the Government are spending on transport is not the result of any increase in the Chancellor's largesse, or the result of all the extra taxes being paid by motorists. It is because of the falling subsidies on the railway that the Chancellor has allowed Ministers at the Department of the Environment, Transport and the Regions to keep a small amount of that money to spend on other transport projects, inadequate as it is. If we had not privatised the railway, the Secretary of State would not have even that money to spend.

If we do not want to start diverting resources in large measure back to the railways because legislation such as the Bill has choked off the supply of private investment, the Minister should listen to what the industry is saying, which is what I have expressed from the Opposition Dispatch Box this evening.

Mr. Hill: The hon. Member for North Essex (Mr. Jenkin) made a serious speech, to which I shall respond seriously and in detail. I hope that the House will forgive me if I speak at some length.

Amendments Nos. 412 and 414 to 417 would amend the powers and duties of the rail regulator. Amendment No. 412 would remove the regulator's power to give a direction to improve an existing facility or to provide a new one, provided that he is satisfied that there will be adequate reward. Amendments Nos. 414 and 415 would remove the Secretary of State's power to give general guidance to the regulator. Instead, the regulator would be required to have regard to the Secretary of State's general guidance to the Strategic Rail Authority. Amendment No. 416 seeks to put additional conditions on penalties imposed by the regulator and the SRA. Amendment No. 417 would remove the regulator's power to direct parties to amend an access agreement to permit more extensive use of facilities.

Before dealing with the amendments in detail, I shall dispose of the bottleneck argument that the hon. Member for North Essex presented. If I understand the hon. Gentleman correctly, he argues that a bottleneck in investment might develop. However, the Strategic Rail Authority's strategies will be published and its views will be well known to the industry. Fears of a bottleneck are therefore groundless; such a notion is far fetched. I hope that I shall be able to develop that point in more detail and allay the other anxieties that the hon. Gentleman articulated.

I shall deal with the amendments in turn and explain why they are not desirable. First, let us consider amendment No. 412. Clause 200 enables the Rail Regulator to give a direction to a person who is in a position to act to improve an existing facility or provide a new facility. That power can be exercised only through an application from the SRA or a third party, with the consent of the authority. As we said in Committee, that power will ensure that improvements can be made to the network when they are in the public interest.

Mr. Jenkin: Will the Minister give way?

Mr. Hill: If the hon. Gentleman will contain himself and allow me to develop the argument, I shall give way in due course.

There may well be circumstances in which the SRA considers that there is a strategic need for a new or improved facility, but where the person in control of the facility has a short-term view and does not wish to make the investment or has other priorities. In such cases, the clause will provide the balance between the interests of facility owners and the long-term strategic needs of the railway.

An improvement may be sought by a third party, who applies directly to the Rail Regulator, but he must have the consent of the SRA. That will ensure the existence of a genuine interest, which is wider than the commercial interest of one party, and accords with the wider aims of the authority.

I repeat that clause 200 is not designed to replace the normal commercial judgments and investments of facility owners such as Railtrack or English, Welsh and Scottish Railway. It does not preclude voluntary arrangements between a facility owner and someone who wishes to agree terms for an enhancement. The clause provides the element of compulsion necessary to ensure that an investment occurs. That power is to be used sparingly by the SRA as a last resort.

In most cases, we would expect funding bodies such as the SRA to come to voluntary contractual agreements for enhancements that are not commercial, and to make requests to the regulator only as a last resort.

Mr. Jenkin: Two phrases expose the flaw in the Minister's argument. He assumes that the industry will

take a "short-term", myopic view, when all the evidence suggests that, under privatisation, the industry is taking a longer view than under nationalisation.

Secondly, the Minister claims that the power will be used "sparingly". However, its existence means that all railway operators will be looking over their shoulders and wondering whether every investment that they make is acceptable to the SRA. They have limited funds for investment. If they invest in the wrong facility, will they also be required to invest in a different facility? The increase in investment that the railway needs will be achieved only by setting the industry free from such restraint.

Mr. Hill: The hon. Gentleman is wrong to assert that the powers are being introduced on the assumption that the industry will have a tendency towards short-term decision making. No such assumptions are made. The powers are designed to take account of circumstances in which it is deemed that a short-term approach is being adopted. They constitute a fall-back, and will be used sparingly. We have no reason to believe that the relationship with the industry will not be voluntary and co-operative.

As a check, I confirm that the final decision belongs to the Rail Regulator. He will operate under the duties in section 4 of the Railways Act 1993. They include the duty to act in a way which he considers will not make it unduly difficult for the holders of network licences, such as Railtrack, to finance their activities.

8.15 pm

Mrs. Laing: Will the Minister give way?

Mr. Hill: Let me develop the argument. With respect, the hon. Lady is relatively new to the arguments. I was delighted to embrace the proposals in the Bill that she introduced under the ten-minute Bill procedure. However, it was on a different matter in relation to which I acknowledge her expertise. I want to develop my argument on return on investment, an important issue that the hon. Member for North Essex raised.

In all cases, the rail regulator must be satisfied that there will be adequate reward for the improvements or new facilities. That will depend on the facts and circumstances of the case. It means that the regulator will take a view that the facility owner will not be out of pocket. It does not mean that the facility owner will be remunerated in advance. We have made it clear that the rail regulator will be able to take account of indirect receipts and other benefits that are likely to accrue to the facility owner.

An independent economic regulator is best placed to decide whether compensation for any direction is adequate. The regulator is developing a framework for enhancing expenditure, including a policy statement that relates to enhancement. It will relate primarily to work on Railtrack's network. The regulator intends the policy statement to cover all sorts of enhancements, whether they are initiated by operators, funders or Railtrack, and whether they are undertaken by Railtrack or others.

The regulator envisages that the framework will establish the way in which he will assess the adequate reward for an infrastructure operator to improve facilities, including the appropriate rate of return and taking account of the risks.

It is right for Railtrack, its customers and funders, such as the SRA, to understand in advance the treatment of enhancement of the network under Railtrack's financial regulatory framework. When the regulator publishes his final conclusion later this year, it will reduce the uncertainties that Railtrack has encountered in the past, give the company an incentive to improve, enlarge the network and thus serve the public interest better.

Amendments Nos. 414 and 415 would have the combined effect of removing the Secretary of State's power to give "general guidance" to the Rail Regulator. Instead, the regulator would be required to have regard to the Secretary of State's general guidance to the SRA.

I assure the House that the Government want to ensure that the Rail Regulator can continue to act as an independent economic regulator. However, clause 201(6), which is similar to the time-limited provision in the 1993 Act, does not undermine the Rail Regulator's independence.

As we explained in detail in Committee, subsection (6) does not permit the Secretary of State to dictate to the regulator how he should perform his functions. However, the regulator does not operate in a policy vacuum. It is right, given the extent of public subsidy and the enormous public interest in the railways, that he should have regard to the general direction in which the Secretary of State wants railway policy to develop, as part of an integrated transport system.

I repeat the assurance that any guidance will be at a general and high level. For example, I envisage guidance on the part that the Government expect the railway to play in their wider policy of integrated transport. The guidance may cover the Government's aim of a safe, growing and improving railway. It may also cover such matters as the policy balance that the Government support between a franchised railway and an open access one.

The guidance will not enable the Secretary of State to dictate Railtrack's rate of return—we would not wish to do that. That would be entirely inappropriate. The regulator is constituted as an independent and economic regulator, and that is how he will remain under the Bill.

The general guidance power in the Bill will not, as the hon. Member for North Essex asserted, politicise the regulator. He will have a duty to have regard to general guidance but he will remain independent. It is still for the regulator to decide what weight to give to the Secretary of State's guidance and to balance that against his other duties under section 4 of the Railways Act 1993. For those reasons, we think that it is entirely proper for the Secretary of State to be able to give guidance direct to the regulator. We see no reason for accepting amendments Nos. 414 and 415, which would substitute an indirect influence via the Secretary of State's guidance to the SRA. The SRA and the regulator have very different functions. It is wrong in principle to require the regulator to have regard to the Secretary of State's guidance to the SRA, when that guidance may and will cover matters in which the regulator has no role.

Amendments Nos. 414 and 415 would lead to uncertainty. The regulator might find difficulty in knowing what was general guidance of which he must take account, and what was detailed franchise-specific guidance to the SRA, which he would need to ignore.

Mrs. Laing: Will the Minister give way?

Mr. Hill: Of course I shall give way, now that the hon. Lady has had a chance to listen to the development of the argument.

Mrs. Laing: I assure the Minister that I am not new to this subject. I remember every minute of the arguments that were advanced during consideration of what was the Railways Bill, which became the Railways Act 1993. The Minister was then only a member of the Select Committee on Transport, and he was quizzing the Conservative Government on what that measure meant. I have listened carefully to what the hon. Gentleman has said in the past five minutes or so. Does he agree that the general direction of everything that he has said during that period is to reverse the principles of the freedom that the 1993 Act gave to the railways and to take power back to the Secretary of State and the Government? The Bill is anti-commercial.

Mr. Hill: No, I do not agree. What is more, I think that the hon. Lady should understand that the premise of the Railways Act 1993 was to deal with a limited no-growth railway, and to privatise it. The thrust of the Bill is to take into account the success of the railway. I concede that it has been successful in many respects under privatisation and as a result of it. I think that we all acknowledge that there has been a great deal of innovation in the industry and a greater focus on customer care. However, there remain, as the hon. Member for North Essex must concede, several problems that are associated with the railway. For example, there are issues involving overcrowding and unpunctuality. By means of the Bill, we need to create a proper and flexible framework that will allow for an expanding railway. The intentions and purposes behind the Bill are entirely positive and supportive of a growing railway. I hope that my response reassures the hon. Lady.

There are some matters that the Secretary of State may wish to include in guidance to the regulator which would not be appropriate to include in his guidance to the SRA. For example, guidance to the regulator may include the Government's high-level objectives for the railway, whereas objectives for the SRA are already prescribed in clause 182.

I reiterate that I reject any suggestion that the regulator has become a politicised figure. He is independent and he will remain so. The Government have great confidence in the abilities and activities of Mr. Tom Winsor. However, I turn to the epicentre—

Mr. Jenkin: Does the Minister think that the regulator was right to issue the press release just after the Paddington crash?

Mr. Hill: Given the commencement of the Cullen inquiry, it would be unwise now for a Minister to make any utterance on that issue from the Dispatch Box. I hope that the hon. Gentleman will forgive me for not responding directly to his intervention. I hope also that he will understand the circumstances in which I decline to do so.

I move on to what I detect is the epicentre of the hon. Gentleman's anxiety, and that is his contention that no analogous power exists within the existing railway or other structures. It is true that no other regulator is subject to guidance from the Secretary of State. However, no other regulated industry receives more than £1 billion per annum in financial support from the Government. There is no equivalent in other regulated industries of the SRA. Railways are different from other regulatory models. A model that suits gas and electricity is not inevitably the right one for railways.

We have the right answer for the railways—*[Interruption.]* I hear the hon. Member for North Essex say from a sedentary position, "Renationalisation by the back door." During our many hours together in Committee and in the Chamber while considering the Bill, I have grown to become quite fond of the hon. Gentleman. That has not always been easy but, over time, it became possible. However, I shall have to confide to my diary my worries about a distinct tendency on his part to having bees in the bonnet. I dare hardly mention EUROCONTROL, of which we have heard far too much during our proceedings. We have heard from the hon. Gentleman that he regards clause 200 as evil. I believe that those are his words. I thought at the beginning of the debate that we had made progress and that the hon. Gentleman had abandoned his anxieties about renationalisation by stealth or the back door, but alas we have not. Although he tries to repress that attitude, deep down it is there, and from time to time it bubbles up. That is a pity, and I am worried about the hon. Gentleman.

There is one further point about the regulator and guidance from the Secretary of State. Under the Utilities Bill, my right hon. Friend the Secretary of State for Trade and Industry will have the power to issue guidance on any of the Government's social and environmental policies. In a limited respect, there are parallels to the relationship between the Secretary of State and the regulator as set out in the Bill.

Amendment No. 416 concerns penalties imposed by the SRA and the regulator. It goes to the heart of the purpose of penalties by seeking to spell them out in detail. It seeks to make them proportionate and to fulfil wider purposes. The amendment is not necessary because the objectives that lie behind it are already contained within the concept of reasonableness. That is the form of the drafting, and it captures the aim more succinctly and more comprehensively than the amendment.

The test of reasonableness covers proportionality, which the amendment specifies as being commensurate with the contravention. It also covers turnover and profitability. If a penalty is imposed that is disproportionate in terms of the company or the contravention, it would not by definition be reasonable and would not be within the power of the appropriate authority to impose.

The regulator and the SRA will have to publish their policies towards calculating the amount of a penalty and to have regard to the published policies when imposing a penalty. Such policies might include one on having regard to the need to secure compliance, the consequences of the breach and the deterrence of future breaches. We cannot specify what level a penalty will be in advance because that will, and must, depend on the breach. It can be a heavy one only if the breach is serious and where there has been harm. In a lesser breach the penalty would be less.

I should mention the last part of amendment No. 416, which refers to penalties fulfilling the general section 4 duties. These duties are the manner in which the Rail Regulator or the SRA must exercise their regulatory functions. As they are not objectives in themselves, that is not appropriate. However, the wider purpose of the enforcement regime is, of course, to enforce the obligations which companies have entered into and to protect the interests of rail users, so some of the spirit of this is in the regime in any event. However, in exercising their respective functions, the regulator will be subject to his section 4 duties and the SRA will be subject to its clause 184 duties.

8.30 pm

The hon. Gentleman asked why there is no upper limit on financial penalties. The important point is that the penalty imposed must be reasonable in all the circumstances of the case. A serious contravention could attract a considerable penalty whereas a minor contravention could attract only a minor penalty. The concept of proportionality is central to the provisions on imposing financial penalties. Furthermore, companies will be able to appeal to the courts on the imposition and the amount of any financial penalty. The courts may quash the penalty or substitute a lower one if they consider the amount to be unreasonable. I say again that the penalties must be of a reasonable amount. Railtrack is appealing to the courts on penalties at present, but, again, I am not able to comment.

Amendment No. 417 would remove the regulator's power to direct the parties to an access agreement—perhaps between Railtrack and a train operating company—to amend an access or network installation contract to permit more extensive use of the railway facility or network installation in question. Clause 208 is necessary because, for the first time in many years, the railway is growing. The hon. Gentleman and I agree about and rejoice in that. We need to be absolutely sure that the mechanism exists to require facility owners to provide additional access rights where there is spare capacity.

Section 22(6) of the Railways Act 1993 provides that the regulator may not require amendments to be made to an access agreement to give additional access rights, and he may not undermine the intention of that provision by entertaining a new application for additional rights. Hence the need to be absolutely sure. I emphasise that this is not additional regulation. Clause 208 makes it clear that the regulator's powers in relation to applications for access apply equally where someone who already has access wants more.

At present, section 22(6) of the 1993 Act prevents a holder of access rights from using section 17 to secure rights to run more trains on reasonable terms. That is nonsense, and it shows how Conservative Members failed to legislate for a growing railway in 1993.

It being five hours after the commencement of proceedings on consideration of the Bill, MR. DEPUTY SPEAKER, *pursuant to Order [9 May], put forthwith the Question already proposed from the Chair.*

Amendment negatived.

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of business to be concluded at that hour.*

New Clause 15

REVIEW OF ACCESS CHARGES BY REGULATOR

'.—(1) In the Railways Act 1993, after section 19 insert—

"Review of access charges by Regulator

19A. Schedule 4A to this Act (which contains provision about the review of access charges by the Regulator) shall have effect."

(2) After Schedule 4 to that Act insert, as Schedule 4A, the Schedule set out in Schedule (*Review of access charges by Regulator*) to this Act.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 16

LICENCE MODIFICATIONS FOLLOWING COMPETITION COMMISSION REPORT

'.—(1) In section 15 of the Railways Act 1993 (modification of licence conditions following report of Competition Commission), after subsection (4) insert—

"(4A) Where (after considering any representations or objections which are duly made and not withdrawn) the Regulator or Authority proposes to make or require the making of modifications under this section, he or it shall give notice to the Competition Commission—

(a) setting out the modifications he proposes to make or it proposes to require to be made; and

(b) stating the reasons why he proposes to make the modifications or it proposes to require the making of them.

(4B) The Regulator or Authority shall include with the notice under subsection (4A) above a copy of any representations and objections which have been considered.

(4C) If the period within which a direction may be given by the Competition Commission under section 15A below expires without such a direction being given, the Regulator or Authority shall make, or require the making of, the modifications set out in the notice given under subsection (4A) above.

(4D) If a direction is given by the Competition Commission under section 15A(1)(b) below, the Regulator or Authority shall make, or require the making of, such of those modifications as are not specified in the direction."

(2) After that section insert—

"Competition Commission's power to veto modifications following report

15A.—(1) The Competition Commission may, within the period of four weeks beginning with the day on which they are given notice under section 15(4A) above, give a direction to the Regulator or Authority—

(a) not to make, or require the making of, the modifications set out in the notice; or

(b) not to make such of those modifications as are specified in the direction.

(2) The Secretary of State may, if an application is made to him by the Competition Commission within that period of four weeks, extend the period within which a direction may be given under this section to one of six weeks beginning with the day on which the Competition Commission are given notice under section 15(4A) above.

(3) The Competition Commission may give a direction under this section only if the modifications to which it relates do not appear to them requisite for the purpose of remedying or preventing the adverse effects specified in their report on the reference under section 13 above.

(4) If the Competition Commission give a direction under this section, they shall give notice—

(a) setting out the modifications contained in the notice given under section 15(4A) above;

(b) setting out the direction; and

(c) stating the reasons why they are giving the direction.

(5) A notice under subsection (4) above shall be given—

(a) by publishing the notice in such manner as the Competition Commission consider appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the direction; and

(b) by serving a copy of the notice on the holder of the licence.

Making of modifications by Competition Commission

15B.—(1) If the Competition Commission give a direction under section 15A above, they may themselves make such modifications of the conditions of the licence as appear to them requisite for the purpose of remedying or preventing—

(a) the adverse effects specified in their report on the reference under section 13 above; or

(b) such of those adverse effects as would not be remedied or prevented by the modifications made by the Regulator, or required to be made by the Authority, under section 15(4D) above.

(2) In exercising the function conferred by subsection (1) above, the Competition Commission shall have regard to the matters as respects which duties are imposed on the Regulator by section 4 above.

(3) Before making modifications under this section, the Competition Commission shall give notice—

(a) stating that they propose to make the modifications and setting out their effect,

(b) stating the reasons why they propose to make the modifications, and

(c) specifying the period (not being less than 28 days from the date of publication of the notice) within which representations or objections may be made,

and shall consider any representations or objections which are duly made and not withdrawn.

(4) A notice under subsection (3) above shall be given—

(a) by publishing the notice in such manner as the Competition Commission consider appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the making of the modifications; and

(b) by serving a copy of the notice on the holder of the licence.

(5) As soon as practicable after making any modifications under this section, the Competition Commission shall send a copy of those modifications to the Regulator, the Authority and the Health and Safety Executive.

Sections 15A and 15B: supplementary

15C.—(1) The provisions mentioned in subsection (2) below are to apply in relation to the exercise by the Competition Commission of their functions under sections 15A and 15B above as if—

(a) in section 82(1) and (2) of the 1973 Act references to a report of the Competition Commission under that Act were references to a notice under section 15A(4) or 15B(3) above;

(b) in section 85 of that Act references to an investigation on a reference made to the Competition Commission were references to an investigation by the Competition Commission for the purposes of the exercise of their functions under those sections; and

(c) in section 93B of that Act references to the functions of the Competition Commission under that Act were references to their functions under those sections.

(2) The provisions are—

(a) sections 82(1) and (2) (general provisions as to reports), 85 (attendance of witnesses and production of documents) and 93B (false or misleading information) of the 1973 Act;

(b) Part II of Schedule 7 to the Competition Act 1998 (performance of the Competition Commission's general functions); and

(c) section 24 of the 1980 Act (modification of provisions about performance of such functions).

(3) For the purpose of assisting the Competition Commission in exercising their functions under sections 15A and 15B above, the Regulator and the Authority shall give to the Competition Commission any information in his or its possession which relates to matters relevant to the exercise of those functions and—

(a) is requested by the Competition Commission for that purpose; or

(b) is information which, in his or its opinion, it would be appropriate for that purpose to give to the Competition Commission without any such request;

and any other assistance which the Competition Commission may require, and which it is within his or its power to give, in relation to any such matters.

(4) For the purpose of exercising those functions, the Competition Commission shall take account of any information given to them for that purpose under subsection (3) above.".'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 17

AUTHORITY'S DUTY TO CONTINUE BOARD'S PRACTICE OF INDEXATION

'.—(1) The Authority shall make provision for increases in pensions and capital sums to which this section applies broadly corresponding to each increase in official pensions under the Pensions (Increase) Act 1971 and section 59 of the Social Security Pensions Act 1975 ("an official pensions increase").

(2) This section applies to a pension or capital sum at any time if—

(a) at that time it is a pension in payment, a deferred pension or capital sum or a pension or capital sum to which a person's future entitlement is contingent on the death of another person, and

(b) the Board either made provision for an increase in it broadly corresponding to an official pensions increase or would have done so if it had been within paragraph (a) at a time when the Board made provision for increases broadly corresponding to an official pensions increase.

(3) But where it was the practice of the Board, when making increases broadly corresponding to an official pensions increase, in any circumstances—

(a) not to make provision for an increase, or

(b) to make provision for an increase of a reduced amount,

subsection (1) does not require the Authority to make in similar circumstances provision for an increase in excess of any for which the Board would have made provision.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 18

AMENDMENTS OF PENSION PROTECTION PROVISIONS

'.—(1) In paragraph 6(2)(a)(ii) of Schedule 11 to the Railways Act 1993 (power to make order providing for pension rights of protected persons to be no less favourable as a result of a transfer of pension rights), after "rights" insert "(whether made between occupational pension schemes or sections of an occupational pension scheme or otherwise)".

(2) The Railway Pensions (Protection and Designation of Schemes) Order 1994 is amended as follows.

(3) In article 6 (transfers etc.), insert at the end—

"(9) In paragraphs (2), (3), (5), (7)(a) and (b)(i) and (8) references to an occupational pension scheme include a section of such a scheme."

(4) In article 7(4) (payments on transfers), insert at the end (but not as part of sub-paragraph (b))—

"and in this paragraph references to an occupational pension scheme include a section of such a scheme."

(5) In article 9 (circumstances in which breaks in continuity of employment are disregarded)—

(a) in paragraph (2), omit ", except to the extent specified in paragraph (3)," and "relevant" (in both places), and

(b) in paragraph (3), for "this article" substitute "paragraph (1)".

(6) In article 11(4) (activities to be regarded as the railway industry)—

(a) after "of Schedule 11 are" insert "the activities of the Authority or any subsidiary of the Authority and activities consisting of", and

(b) for "in each case" substitute "in each of the cases in sub-paragraphs (a) to (d)".

(7) Omit paragraphs 13 and 14 (arbitration).

(8) The amendments made by subsections (3) to (7) shall be treated as if made by an order made under Schedule 11 to the Railways Act 1993 (and, accordingly, may be varied or revoked by an order so made).'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 19

TAXATION OF TRANSFERS

'. Schedule *(Transfers: Tax)* contains provisions about tax.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

Clause 184

MANNER OF EXERCISE OF FUNCTIONS

Amendment made: No. 255, in page 103, line 30, leave out—

', loans or other payments made'

and insert—

'or other payments or loans made by it, any guarantees given by it and any investment in bodies corporate'.—*[Mr. Robert Ainsworth.]*

Clause 189

SECURING OF SERVICES BY FRANCHISING

Amendment made: No. 256, in page 106, line 4, leave out—

'that Act, after section 26'

and insert—

'section 26 of that Act (invitations to tender for franchise), after subsection (3) insert—

"(4) The directions which may be given under subsection (1) above (at any time when the Secretary of State considers it inappropriate that the person who is to be the franchisee under a franchise agreement should be selected after an invitation to tender) include—

(a) a direction that that person is to be the person specified in the direction; and

(b) a direction requiring the Authority to select that person in such manner as is so specified,

(as well as a direction authorising the Authority to select that person in such other manner as it may consider appropriate).

(5) The Secretary of State shall prepare and publish a statement of policy with respect to directions under subsection (1) above.

(6) The statement shall (in particular) contain the Secretary of State's policy about—

(a) when he will consider giving a direction (including, in particular, when he will consider doing so in relation to a franchise agreement which is to replace an earlier franchise agreement before the end of its franchise term); and

(b) the sorts of direction which he will consider giving in particular circumstances.

(7) In deciding whether to give a direction, and (if so) what direction to give, the Secretary of State shall have regard to the statement of policy.

(8) The Secretary of State—

(a) may at any time alter or replace a statement of policy, and

(b) shall publish the altered or replacement statement.

(9) The Secretary of State shall undertake appropriate consultation when preparing, altering or replacing a statement of policy.

(10) When a statement of policy is prepared, altered or replaced, a copy of the statement shall be laid before each House of Parliament."

( ) After that section'.—*[Mr. Robert Ainsworth.]*

Clause 200

REGULATOR'S POWER TO REQUIRE PROVISION ETC. OF RAILWAY FACILITIES

Amendments made: No. 308, in page 117, line 23, leave out—

'it was given, the applicant'

and insert—

'the direction was given, the applicant for the direction'.

No. 309, in page 117, line 28, after "varied" insert—

'on an application by the applicant for the direction or the Authority'.

No. 310, in page 117, line 29, leave out "it" and insert "the direction".

No. 311, in page 117, line 33, at end insert—

'(5) The Regulator may grant an application for the variation or revocation of a direction under section 16A above by the applicant for the direction or the Authority on condition that he or it secures

that any such compensation as the Regulator may specify is paid to the person to whom the direction was given in respect of any liabilities incurred, or other things done, by him in complying with the direction.'.—*[Mr. Robert Ainsworth.]*

Clause 202

PENALTIES

Amendments made: No. 257, in page 119, line 25, at end insert—

'(3) No penalty may be imposed in respect of any contravention of a final or provisional order if provision was made in the order by virtue of section 55(7A) above in relation to the contravention.

Statement of policy

57AA.'.

No. 258, in page 119, line 38, leave out—

', is being or is likely to be'

and insert "or is being".

No. 259, in page 120, leave out lines 15 to 18 and insert—

'( ) This section applies in relation to sums required to be paid by virtue of section 55(7A) above as to penalties, but as if—

(a) references to the imposition of penalties were to the inclusion in an order of a requirement to pay a sum;

(b) references to relevant conditions or requirements were omitted; and

(c) the reference in subsection (4)(b) above to anything which has been or is being done included a reference to anything which is likely to be done.'.

No. 260, in page 120, line 27, leave out "or would constitute".

No. 261, in page 121, line 29, leave out "or would constitute".—*[Mr. Robert Ainsworth.]*

Clause 205

EXTENSION OF FUNCTIONS

Amendments made: No. 262, in page 125, line 29, at end insert—

'(7C) The Secretary of State may, after consultation with the Rail Passengers' Council, make an order providing that the duties imposed by this section apply to services of a particular class or description, particular services or services provided by a particular person—

(a) only to such extent as is specified by the order; or

(b) with such modifications as are so specified.".'.

No. 263, in page 126, line 2, at end insert—

'(9C) The Secretary of State may, after consultation with the Rail Passengers' Council, make an order providing that the duties imposed by this section apply to services of a particular class or description, particular services or services provided by a particular person—

(a) only to such extent as is specified by the order; or

(b) with such modifications as are so specified.".'. —*[Mr. Robert Ainsworth.]*

Clause 208

AMENDMENT OF ACCESS AGREEMENTS

Amendments made: No. 312, in page 127, line 3, leave out "below" and insert—

'or 22C below or Schedule 4A to this Act'.

No. 313, in page 127, leave out lines 47 to 49.

No. 314, in page 129, line 11, after "22C" insert—

'.—(1) The Regulator may give directions requiring the parties to an access agreement to make to the access agreement amendments which are, in his opinion, necessary to give effect to the conditions of a licence or otherwise required in consequence of the conditions of a licence.

(2) The Regulator shall not have power to direct or otherwise require amendments to be made to an access agreement except in accordance with section 22A above, subsection (1) above or Schedule 4A to this Act.

(3)'.

No. 315, in page 129, line 16, leave out "or 22A above" and insert—

'above or subsection (2) above'.—*[Mr. Robert Ainsworth.]*

Clause 216

WINDING DOWN AND ABOLITION OF BOARD

Amendment made: No. 264, in page 132, line 15, at beginning insert—

'(1) Section 84 of the Railways Act 1993 (power of Board to form companies) shall apply as if facilitating the carrying into effect of, or of any provision made under, sections 194, 195 and 215 and Schedules 17, 18 and 23 were a purpose specified by the Secretary of State under subsection (1)(d) of that section; and section 85 of that Act (power of Board to make transfer schemes) shall apply as if that were a purpose specified in subsection (3)(b) of that section.'.—*[Mr. Robert Ainsworth.]*

Clause 218

STANDARDS

Amendment made: No. 265, in page 134, line 12, leave out from "regulations" to end of line 15 and insert—

'( ) The regulations may provide for such offences to be triable—

(a) only summarily, or

(b) either summarily or on indictment.

( ) The regulations may provide for an offence triable only summarily to be punishable on conviction with a fine not exceeding—

(a) level 5 on the standard scale, or

(b) such lower amount as may be prescribed.

( ) The regulations may provide for an offence triable either summarily or on indictment to be punishable—

(a) on summary conviction, with a fine not exceeding the statutory maximum or such lower amount as may be prescribed, or

(b) on conviction on indictment, with a fine.'.—*[Mr. Robert Ainsworth.]*

Amendment made: No. 317, in page 135, line 31, leave out Clause 221.—*[Mr. Robert Ainsworth.]*

Clause 222

STAMP DUTY AND STAMP DUTY RESERVE TAX

Amendment made: Leave out Clause 222.—*[Mr. Robert Ainsworth.]*

Schedule 13

STRATEGIC RAIL AUTHORITY

Amendments made: No. 319, in page 201, line 18, at end insert—

'Taxation

13A.—(1) The Secretary of State may make regulations for the purpose of eliminating, or reducing to such extent as may be prescribed, the Authority's liability to tax in respect of—

(a) income and chargeable gains, or

(b) any prescribed class of income or chargeable gains.

(2) The regulations may, in particular, provide—

(a) for any elimination or reduction of liability to tax conferred by virtue of sub-paragraph (1) to be subject to prescribed conditions (including conditions requiring prescribed activities of the Authority to be carried out by persons other than the Authority), and

(b) for transactions entered into by the Authority not to be invalidated merely by reason of a contravention of any such conditions.

(3) The regulations may—

(a) for purposes connected with any elimination or reduction of liability to tax conferred by virtue of sub-paragraph (1), apply or modify any provision made by or under the Corporation Tax Acts (including provision made by Schedule *(Transfers: Tax)*),

(b) make different provision for different cases, and

(c) include such incidental, consequential, supplementary and transitional provision and savings as the Secretary of State may consider appropriate.

(4) Regulations under this paragraph—

(a) shall be made by statutory instrument, and

(b) require the consent of the Treasury.

(5) No regulations shall be made under this paragraph unless a draft of the statutory instrument containing the regulations has been laid before, and approved by a resolution of, the House of Commons.'.

No. 266, in page 204, line 20, at end insert—

'Freedom of Information Act 2000 (c.00)

. In Part VI of Schedule 1 to the Freedom of Information Act 2000 (public authorities), insert (at the appropriate place in alphabetical order)—

The Strategic Rail Authority.'.'.—*[Mr. Robert Ainsworth.]*

Schedule 15

TRANSFER TO SRA OF FRANCHISING DIRECTOR'S FUNCTIONS

Amendment made: No. 320, in page 217, line 28, leave out paragraph 61 and insert—

'61. For section 196 (power of Greater London Authority to give instructions or guidance to Franchising Director) and the heading before it substitute—

"The Authority and the Strategic Rail Authority

Power of Authority to give directions and guidance to Strategic Rail Authority

196.—(1) The Authority may give directions and guidance to the Strategic Rail Authority in relation to the provision of railway services in Greater London.

(2) It is immaterial for the purpose of giving directions and guidance under subsection (1) above whether implementation of the directions and guidance affects railway services outside Greater London.

(3) The Strategic Rail Authority shall exercise its functions in the manner best calculated to implement any directions and guidance given to it by the Authority (but subject to subsections (4) and (5) below).

(4) The Strategic Rail Authority shall not implement any directions or guidance given to it by the Authority if or to the extent that to do so would prevent or seriously hinder the Strategic Rail Authority—

(a) from complying with any directions given to it by the Secretary of State under section 184(5) of the Transport Act 2000 or from having regard to any guidance so given; or

(b) from exercising any of its functions in a manner which is consistent with its financial framework.

(5) The Strategic Rail Authority need not implement any directions or guidance given to it by the Authority if or to the extent that to do so would—

(a) have an adverse effect on the provision of services for the carriage of passengers or goods by railway outside Greater London; or

(b) increase the amount of any expenditure of the Strategic Rail Authority under agreements or other arrangements entered into (in accordance with a franchise agreement) with the franchise operator, the franchisee or any servant, agent or independent contractor of the franchise operator or franchisee.

(6) If the Strategic Rail Authority decides not to implement any directions or guidance given to it by the Authority, whether generally or in a particular case, it shall give the Authority notification of the decision and its reasons for it.

(7) The directions and guidance which may be given under this section are—

(a) directions and guidance as to the manner in which the Strategic Rail Authority is to exercise its functions in order to comply with section 184(1) to (3) of the Transport Act 2000, and

(b) directions to the Strategic Rail Authority not to exercise any of its functions in a particular manner (or not to do so without consulting, or obtaining the consent of, the Authority),

in relation to the provision of services for the carriage of passengers by railway or the operation of additional railway assets under or by virtue of any franchise agreement or any provision of sections 30 and 37 to 49 of the Railways Act 1993.

(8) The functions of the Authority under this section shall be exercisable by the Mayor acting on behalf of the Authority.

(9) Expressions used in this section and in Part I of the Railways Act 1993 have the same meaning in this section as in that Part.'.'. —*[Mr. Robert Ainsworth.]*

Schedule 16

TRANSFERS TO SRA FROM RAIL REGULATOR

Amendments made: No. 321, in page 224, line 4, after "section" insert—

'and to section 15A below'.

No. 322, in page 224, line 8, after "section" insert—

'and to section 15A below'.

No. 267, in page 227, line 36, at end insert—

'(3) Before section 47 insert—

"Notification of minor closures to Regulator

46B. The Authority shall notify the Regulator of every determination under section 37(1), 38(2), 39(1), 40(2), 41(1) or 42(2) above that a closure is a minor closure.".'.

No. 268, in page 227, line 48, leave out—

'and every decision that a closure is minor'

and insert—

', every determination under section 37(1), 38(2), 39(1), 40(2), 41(1) or 42(2) above that a closure is a minor closure, every condition imposed under section 37(1), 39(1) or 41(1) above, every general determination under section 46A above and every revocation of a general determination under that section'.—*[Mr. Robert Ainsworth.]*

Schedule 17

TRANSFER TO SRA OF BR'S FUNCTIONS RELATING TO TRANSPORT POLICE

Amendments made: No. 269, in page 230, line 34, leave out "and (1A)".

No. 270, in page 230, line 35, at end insert "and".

No. 271, in page 230, line 36, leave out from "Authority"," to end of line 39.

No. 272, in page 230, line 42, at end insert—

'( ) In subsection (2) (as substituted by section 25(2) of the British Railways Act 1978)—

(a) in paragraph (c), for "Commission" substitute "Authority", and

(b) in paragraph (e), for the words from "which authority" to "is hereby" substitute "which authority any justice or the Chief Constable of the British Transport Police Force is hereby".'.

No. 273, in page 231, leave out lines 25 to 27.

No. 274, in page 232, line 8, at end insert—

' . In paragraph 3(2) of Schedule 10 (power of Secretary of State, after consultation with Board and others, to amend existing scheme for organisation of transport police), for "Board" (in both places) substitute "Authority".'.—*[Mr. Robert Ainsworth.]*

Schedule 24

MINOR AND CONSEQUENTIAL AMENDMENTS ABOUT RAILWAYS

Amendments made: No. 323, in page 250, line 47, at end insert—

'Transport Act 1980 (c.34)

. Part III of the Transport Act 1980 (railway pensions) has effect subject to the following amendments.

. In section 52A(13) (provisions for final discharge of Secretary of State not to affect liability of Board in respect of relevant pension obligations), for "Board" substitute "Authority".

. In section 52B(10) (provisions for substitution order not to affect liability of Board in respect of relevant pension obligations), for "Board" substitute "Authority".

.—(1) Section 53 (meaning of "relevant pension obligations") is amended as follows.

(2) In subsection (1)—

(a) for "Board which were owed" substitute "Authority which were owed by the Board", and

(b) for "Board arising after the operative date" (in both places) substitute "Authority which arose as an obligation of the Board after the operative date or was never an obligation of the Board".

(3) In subsection (4), for "Board" (in each place) substitute "Authority".

. In section 59(2) (supplementary), for "they" substitute "the Authority (in the case of a scheme established by the Board) or the Corporation".

. In section 60(1) (interpretation), before the definition of "the Board" insert—

""the Authority" means the Strategic Rail Authority;".'.

No. 275, in page 251, line 5, at end insert—

'Channel Tunnel Act 1987 (c.53)

. In paragraph 5 of Schedule 6 to the Channel Tunnel Act 1987 (application of offence provisions), for "the Railways Board" substitute "a successor of the British Railways Board within the meaning of the Railways Act 1993 (Consequential Modifications) (No.2) Order 1999".'.

No. 324, in page 251, line 9, at end insert—

'. In section 9 (licence conditions), after subsection (3) insert—

"(3A) Conditions included in a licence by virtue of subsection (1)(a) above may include provision about any matter which is dealt with (whether in the same or a different manner) by an access agreement.".'.

No. 325, in page 251, line 9, at end insert—

'.—(1) In section 13 (modification references to Competition Commission) is amended as follows.

(2) In subsection (8)(c)(i), for "Director" substitute "Regulator".

(3) In subsection (8A)(a)—

(a) for "and 85" substitute ", 85", and

(b) after "documents)" insert "and 93B (false or misleading information)".'.

No. 326, in page 252, line 41, at end insert—

'(vb) every notice given by or to the Regulator or the Competition Commission under Schedule 4A to this Act;".'.

No. 327, in page 254, line 15, leave out from beginning to "for" in line 16 and insert—

'(1) Schedule 11 (pensions) is amended as follows.

(2) In paragraph 1(1) (interpretation), in paragraph (a) of the definition of "eligible person"—

(a) after "of the Board," insert—

"(ia) the Authority or any subsidiary of the Authority,", and

(b)'.

No. 328, in page 254, line 18, at end insert—

'(3) In paragraphs 3(4) and 4(5), for "after consultation with" substitute "with the consent of".

(4) In paragraph 10(15)(b), for "Board" (in both places) substitute "Authority".

(5) In paragraph 11(10), in the definition of "relevant employer" insert at the end—

"(d) the Authority; or

(e) a wholly owned subsidiary of the Authority.".'.

No. 276, in page 254, line 26, at end insert—

'. The Channel Tunnel Rail Link Act 1996 has effect subject to the following amendments.

. After section 42 insert—

"Strategic Rail Authority as agent of Secretary of State

42A.—(1) The Strategic Rail Authority may do anything which it arranges with the Secretary of State to do on his behalf in connection with any agreement or other arrangement made by him for the purpose of securing the design, construction, financing, maintenance or operation of the rail link or any of the other works authorised by this Part of this Act.

(2) Subsection (1) above—

(a) does not authorise the Strategic Rail Authority to exercise any function conferred or imposed by or by virtue of any enactment, and

(b) is subject to the terms of the agreement or other arrangement.

(3) Sections 184 and 185 of the Transport Act 2000 do not apply to the power conferred by this section.".'.

No. 277, in page 254, line 27, leave out—

'to the Channel Tunnel Rail Link Act 1996'.—*[Mr. Robert Ainsworth.]*

Schedule 25

TRANSITIONALS AND SAVINGS ABOUT RAILWAYS

Amendments made: No. 278, in page 256, line 29, at end insert—

'. The fact that a statement of policy has not been published by the Secretary of State under section 26(5) of the Railways Act 1993, as inserted by section 189, does not affect the validity of any direction given under section 26(1) of that Act.'.

No. 279, in page 257, line 4, at end insert—

'or

(b) the inclusion in a final or provisional order of any requirement to pay a sum or any determination of the amount of any sum payable in accordance with such an order.'.

No. 329, in page 257, line 9, at end insert—

'Review of access charges

—(1) This paragraph applies if, before this Act is passed, notice has been given by the Regulator of his conclusions on an access charges review (within the meaning of Schedule 4A to the Railways Act 1993, as inserted by Schedule *(Review of access charges by Regulator)* to this Act) but the conclusions have not been implemented.

(2) The conclusions may be implemented after the time by which they are to be implemented in accordance with the access agreement.

(3) The procedure for the implementation of the conclusions shall be as provided for by paragraphs 4 to 16 of Schedule 4A to the Railways Act 1993 (and not as provided for by the access agreement).'.—*[Mr. Robert Ainsworth.]*

Ordered,

That Clause 220 be transferred to end of line 4 on page 133.—*[Mr. Robert Ainsworth.]*

New Clause 3

ROAD TRAFFIC REDUCTION STRATEGY

'(1) It shall be the duty of the Secretary of State (in respect of England) or the National Assembly for Wales (in respect of Wales), within one year of the coming into force of this Act, to prepare a strategy specifying an indicative level of road traffic for each year over the next ten years such that by the year 2010, total road traffic miles do not exceed 90 per cent. of the levels which apply on the day when this Act comes into force.

(2) In preparing the strategy the Secretary of State or National Assembly for Wales shall consult such persons as they see fit.

(3) The Secretary of State or the National Assembly for Wales shall as soon as is practicable after its completion publish the strategy and take such steps as are in their opinion necessary to ensure that the indicative levels are met.

(4) The Secretary of State or the National Assembly for Wales shall thereafter report from time to time on the progress of the strategy.

(5) The Secretary of State or the National Assembly for Wales may amend the strategy from time to time as they see fit to ensure that the indicative levels are met.'.—*[Mr. Don Foster.]*

Brought up, and read the First time.

Mr. Don Foster: I beg to move, That the clause be read a Second time.

A number of hon. Members may have been expecting the hon. Member for Ceredigion (Mr. Thomas) to move the new clause, but he is out of the country and unable to be with us. With the permission of the House, I shall speak in his place.

The hon. Member for North Essex (Mr. Jenkin) and I have not agreed on much, but I am grateful to him for not pressing amendment No. 412 to the vote, thereby enabling us to debate road traffic reduction targets and providing at least a few moments for the Minister to discuss proposals relating to school crossing patrols, on which I hope there will be good news.

Hon. Members will be aware that I am not new to the issue. Indeed, I was delighted to be able to take through the House the Road Traffic Reduction Act 1997, which was the first Act to refer to reducing traffic on our roads. The original version proposed requirements not only on local councils to adopt traffic reduction targets, but on central Government to develop traffic reduction targets over 10 years. Unfortunately, in order to get the Act through the House, the second provision had to be deleted.

The Labour Government seem almost obsessed with targets. They began with five pledges at the general election; now there are thousands of targets for one thing and another. Indeed, there are even targets for achieving targets, so it will not be difficult to convince them to add yet one more to that long roll call. Introducing traffic reduction targets would be of great benefit to them as it would clearly show their commitment to tackling the traffic problem. It would also show that they have taken the advice that they sought and that has been offered to them.

On a number of issues, the Government have been keen to follow the advice of the Commission for Integrated Transport, which was set up by the Deputy Prime Minister. They will therefore be aware that they invited the commission to consider the issue of traffic targets and that paragraph 7 of its report states:

> We recognise that it should be possible to derive national benchmark profiles for congestion and traffic, but, having been developed in this bottom-up way, they must always be seen as indicative, and not prescriptive. Nevertheless, recognition by Government of such a bottom-up benchmark would demonstrate its commitment to pushing forward the integrated transport agenda.

The Government's own advisory body has recommended that there should be national indicative targets for traffic reduction, and that is what is proposed in new clause 3.

The new clause would require the Secretary of State or the National Assembly for Wales to draw up a strategy to reduce traffic by 10 per cent. on the current levels by 2010, and to set an indicative level for traffic for each year between now and then. That would have the advantage of demonstrating the Government's commitment. It would show that they take note of the advice that they have sought and have been given. Equally important, it would enable the Government to redeem the Labour party's promises and commitments.

During the 1997 election, the Labour party promised to

> reduce and then reverse traffic growth.

Those words appeared on the party's election website, in policy briefings issued from Millbank and in the Labour policy handbook. Reducing traffic growth means traffic reduction.

[Mr. Don Foster]

The Deputy Prime Minister went a stage further and made clear what he understood that term to mean when he was reported in *The Guardian* of 6 May 1997 as saying:

I will have failed if in five years time there are not many more people using public transport and far fewer journeys by car. It's a tall order but I urge you to hold me to it.

That clear commitment was repeated on the Floor of the House during an exchange between him and me during a debate on the Queen's Speech on 18 November 1999. He made it absolutely clear that that was a clear commitment and a target that he had set himself. He said:

I readily set the target for myself and I am glad that we are on the way to achieving it.—[*Official Report*, 18 November 1999; Vol. 339, c. 161.]

By setting indicative targets, the Labour party would have a real opportunity to redeem an election promise that was subsequently reiterated by the Deputy Prime Minister. It would also benefit many individual Labour Members. Early last year, 89 Labour MPs issued press releases to their local newspapers stating:

Traffic reduction is vital for human health, the environment, and social justice. It was an important Labour election pledge.

Perhaps more significantly, 300 Labour MPs have signed up to the Friends of the Earth campaign for road traffic reduction targets. Since Friends of the Earth first proposed a 10 per cent. traffic reduction target, more than 300 Labour MPs have publicly stated their support for that campaign.

New clause 3 merely repeats the words that were used by Friends of the Earth in its campaign. It merely repeats the words that 300 Labour MPs have signed up to and agreed to support. It merely repeats the commitment made by the Deputy Prime Minister. It gives voice to the commitments made by the Labour party in the run-up to the general election. I am confident that many Labour Members will be in the Division Lobby in a few minutes' time to support new clause 3. I can certainly assure the House that many Liberal Democrat Members will be there, because they, too, signed up to those commitments. They will honour their commitments by voting for new clause 3.

Mr. Robert Key (Salisbury): I hope that the Liberal Democrats will not push the new clause to a vote, because we are on a tight timetable and we should have a proper Third Reading debate on this huge Bill. However, should they be minded to do so, my advice to the House is not to support the new clause. The hon. Gentleman's speech shows the dangers of Members of Parliament signing up to the programmes of pressure groups, thereby extinguishing their right to make a sound judgment. I have always believed that we should listen to pressure groups and to our constituents and then make a judgment.

There is a simple problem with this road traffic reduction strategy—it will not work. I speak from many years' experience in my constituency. We have been disappointed by Government after Government who have refused to address the traffic problems of a mediaeval city. We thought we were close, but in the short space of about a fortnight the incoming Labour Government decided to cancel the best hope we had in Salisbury of improving the quality of life for our people and preserving our ancient city by building a bypass. That hope has been dashed by this Government.

8.45 pm

We are all in favour of reducing traffic—just as we are all against sin—so long as someone else is doing the reducing. That is the problem with soppy proposals such as this. There are various ways of tackling traffic problems. People can be taxed off the roads, or planned off the roads—which I think is probably the most effective method, speaking as a former Roads Minister. The Bill contains plenty of planning regulations in other guises that would achieve that aim. Public transport can be increased to an extent, and that will help, but it will never meet the needs of the rural constituencies represented by the Liberal Democrats who tabled this daft new clause. Alternatively, everyone can be condemned to gridlock, which is what is happening now.

In fact, only one thing will work. Before they get into their cars, people must ask themselves whether their journey is really necessary. In many cases it is not, and that consideration might enable us to make real progress.

I am worried about the idea of setting targets. In my experience, targets never work—there is always disappointment when they are not met, and it is always possible to find a reason for the fact that they are not achievable. There is another flaw in the new clause. Subsection (2) requires the Secretary of State or the National Assembly for Wales to

consult such persons as they see fit.

Whom will they consult? They will consult Greenpeace, Friends of the Earth, the Council for the Protection of Rural England and all the other environmental groups—and so they should, and we should all listen to them. In the end, though, they might think of consulting their electorate. If they do so, their electorate will certainly not agree with them.

At the last general election, I was the only candidate who was in favour of a bypass. Guess who won? Guess whose election featured the second smallest swing against the Conservative party? I was deeply grateful to the Liberal Democrat candidate for supporting the anti-bypass proposals, because that ensured that I would be able to continue representing my constituents.

Proposals such as new clause 3 make nonsense of a sensible approach. Clause 92 says that local transport authorities should

develop policies for the promotion and encouragement of . . . efficient . . . transport.

The Government have got it half right, but they have got it half wrong as well. They refer to less desirable objectives which should be achieved, but certainly will not be achieved under Labour policy, such as the requirement for local authorities to

meet the needs of persons living or working in the authority's area.

I invite the Government to ask my constituents whether Labour's policy of cancelling the bypass is meeting their needs.

The new clause is not helpful, but we should not vote against it. Indeed, I hope that it will not be put to the vote. I hope that common sense will prevail—and common sense is what we need above all in our transport policy.

Mr. Hill: I hope that before I turn to the substance of this short debate, it will be convenient for the House if I say that I intend to accept new clause 32 and amendment

no. 418, relating to school crossings and tabled by my hon. Friend the Member for Worcester (Mr. Foster). I congratulate my hon. Friend on his persistence and persuasiveness in urging the Government to make that change; it may be a tiny change in the wording of legislation, but it is likely to make an important contribution to the safety of all children and other vulnerable members of society.

I understand that new clause 4 has been the subject of a significant letter-writing and e-mail campaign in recent days. I know that members of Friends of the Earth, of whom I am one, take a keen interest in the subject.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I hope that the Minister means new clause 3, which is what we are trying to discuss.

Mr. Hill: I beg your pardon, Mr. Deputy Speaker. I meant new clause 3.

The House will recall that it was the predecessor of the hon. Member for Ceredigion (Mr. Thomas)—sadly, the hon. Gentleman cannot be with us—who sponsored the Road Traffic Reduction (National Targets) Act 1998. It was a considerable achievement to get that on to the statute book. I appreciate the reasons for tabling the new clause, but I cannot support its inclusion in the Bill.

As I am sure the hon. Member for Bath (Mr. Foster) is aware, the Government's first report under the 1998 Act was published earlier this year. Our report, entitled "Tackling Congestion and Pollution", made it clear that we are not in favour of setting a national road traffic target in England. It may be helpful to remind the House of our reasons.

Mr. Patrick Hall (Bedford): I understand that my hon. Friend wishes congestion to be tackled where it actually occurs—at local level—and by local authorities. In that context, I believe that he is saying that a national target is a diversion from achieving real results, but does he not accept that the aggregate effect of local action in towns and cities throughout the country would add up to a national reduction in road traffic? If he does, what is wrong with adopting a national target in that national perspective? Can he assure my constituents and me that if the Government are not to adopt a national target and specify it in the Bill, they will none the less give clear and firm leadership to help achieve substantive results?

Mr. Hill: I am grateful to my hon. Friend for his intervention. I recognise his powerful commitment, and he is right to say that we wish congestion to be tackled where it happens—at local level. We want to provide strategic guidance to local authorities and others on tackling congestion, but setting a national road traffic target is not the best way in which to do that, for two reasons.

First, as "Tackling Congestion and Pollution" makes clear, the national level of traffic is not a good indicator of our success in tackling congestion. Secondly, a national target takes no account of differing local circumstances. The need for congestion reduction is clearly different between, for example, rural Herefordshire and central Bristol. In the former case, a national target may be unnecessarily high. In the latter case, it may be irrelevantly low. In neither case does it provide a meaningful target against which local authorities can measure local progress.

In "Tackling Congestion and Pollution" we did not simply reject the idea of a national road traffic reduction target. Following the advice of the Commission for Integrated Transport, we said that we would take forward its proposal for separate congestion benchmarks and targets for different area types. I can assure my hon. Friend that there will be the firmest leadership from Government in achieving substantive results. I hope to spell out how that will be achieved in my few remaining remarks.

The central contention of "Tackling Congestion and Pollution" is that we should focus our targets on the outcomes that we want to achieve, rather than crude national traffic volume figures. We do not believe that the national volume of road traffic is a good measure of our success in improving the things that really matter to people at local level, particularly congestion and pollution.

The report showed that over the next 10 years, principally through cleaner fuels and vehicles, we expect the contribution of road traffic to local air pollution to be more than halved. In addition, with widespread support from local authorities, local business and the public for the policies in our 1998 integrated transport White Paper and for the Transport Bill, it should be possible to reduce congestion, even when national traffic levels are rising.

Trends in road traffic growth and the need for improvement will be substantially different in different areas of the country and for different types of road. Benchmarks and targets, and the policies and mechanisms needed to achieve them, should themselves vary. Our strategy, set out in the integrated transport White Paper two years ago, emphasises the need for such a localised approach.

We have the right policies in place and they are beginning to have real effect. There has been a 15 per cent. increase in rail passenger journeys. Private sector rail investment has more than doubled since 1996–97. Private sector investment has been brought in: £8 billion for London Underground, £3.3 billion for the channel tunnel rail link, £1.3 billion for National Air Traffic Services.

Next year, we are providing £750 million—a 20 per cent. increase on previous provision—to help local authorities to implement local transport plans. In 2001–02, the figure is set to increase to £1 billion. Additionally, bus quality partnerships are proving a great success in 130 towns and cities, increasing bus usage by 10 to 20 per cent. Bus industry investment has doubled, to £380 million a year.

Mr. Jenkin: The industry has been privatised.

Mr. Hill: That is perfectly true, but the bus industry also benefits from £300 million a year in fuel duty rebate and from £200 million a year in direct subsidy. Therefore the state itself makes a reasonable contribution to the bus industry's success, which I am celebrating in my few remarks.

By 2001–02, we shall have increased annual provision for local road maintenance to more than £2.2 billion, which is 20 per cent. above the 1997 level. Additionally, the Chancellor announced in the Budget an extra £280 million for transport in 2000–01.

[Mr. Hill]

The 10-year plan for transport, which we shall publish in the summer, will provide the framework for investment in transport in the next decade. We believe that the way forward is to build on existing targets for the things that matter to people—air quality, the levels of greenhouse gases, health and road safety.

We intend to develop congestion benchmarks and targets for different types of area and road. We shall discuss our proposals for local congestion benchmarks with local authorities, businesses and other interested groups to ensure that targets are specifically tailored to local needs, and reflect what can reasonably be achieved. We shall also discuss the possibility of setting local benchmarks and targets for traffic, as a proxy for other local outcomes for which there are currently no targets.

The Government recognise the importance of effective action to reduce congestion and air pollution when they affect residents in specific areas. Our statement "Tackling Congestion and Pollution" received broad support when it was published earlier this year. We are now proposing positive plans to deal with congestion and pollution and to deliver a sustainable environment at the local level, where it matters.

New clause 3 seeks to divert the Government from that track. I hope very much, therefore, that the hon. Member for Bath will be able to withdraw it.

Mr. Don Foster: I have enjoyed the 100 or so hours of debate that we have had on the Bill, and I have enormously enjoyed the Minister's contributions—particularly when he tries his regular trick of speaking very quickly indeed to try to mislead people, or at least to try to mask the more difficult things that he has to say.

The House will have noticed that the Minister said that it was absolutely appropriate for there to be local traffic reduction targets as proxies in addressing all the other issues that matter, such as congestion and pollution. I fail to understand, therefore, why he does not accept that it would be equally beneficial to have national road traffic targets as a proxy in addressing all of those issues.

The Deputy Prime Minister has set the Government a national target, and I am surprised that the Minister is not prepared to support him in reaching it. Additionally, 300 Labour Members have pledged to support such targets. It would clearly be wrong not to give them an opportunity—by pressing the new clause to the vote—to say whether they are sticking by those commitments.

Question put, That the clause be read a Second time:—

The House divided: Ayes 37, Noes 319.

Division No. 192] **[8.59 pm**

AYES

Allan, Richard
Baker, Norman
Ballard, Jackie
Bell, Martin *(Tatton)*
Burnett, John
Burstow, Paul
Chidgey, David
Cotter, Brian
Davey, Edward *(Kingston)*
Dawson, Hilton
Donaldson, Jeffrey
Drew, David
Fearn, Ronnie
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Hancock, Mike
Harris, Dr Evan
Heath, David *(Somerton & Frome)*
Kirkwood, Archy
Laxton, Bob
Livsey, Richard
Llwyd, Elfyn
Maclennan, Rt Hon Robert
Moore, Michael
Morgan, Alasdair *(Galloway)*
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Stunell, Andrew
Taylor, Matthew *(Truro)*
Thompson, William
Tonge, Dr Jenny
Tyler, Paul
Webb, Steve
Willis, Phil

Tellers for the Ayes:
Sir Robert Smith and
Mr. Tom Brake.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Benn, Rt Hon Tony *(Chesterfield)*
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Rt Hon Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen

Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Rt Hon Alun
Michie, Bill *(Sheff'd Heeley)*
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Gerry Sutcliffe and
Mr. Don Touhig.

Question accordingly negatived.

MR DEPUTY SPEAKER then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.

New Clause 2

VEHICLES SUBJECT TO REGULATION AS PRIVATE HIRE VEHICLES

'.—(1) In section 79 of the Public Passenger Vehicles Act 1981 (which provides that a vehicle which is not a public service vehicle because of section 1(3) or (4) of that Act is to be treated as one for the purpose of excluding it from regulation as a private hire vehicle), for "1(3) or (4)" substitute "1(4)".

(2) After that section insert—

"Small PSVs subject to regulation as private hire vehicles

79A.—(1) If a small bus is being provided for hire with the services of a driver for the purpose of carrying passengers otherwise than at separate fares, it is not to be regarded as a public service vehicle for the purpose of—

(a) Part II of the Local Government (Miscellaneous Provisions) Act 1976, or

(b) any local Act applying in any area in England and Wales which regulates the use of private hire vehicles provided for hire with the services of a driver for the purpose of carrying passengers and excludes public service vehicles from the scope of that regulation.

(2) If a small bus is being made available with a driver to the public for hire for the purpose of carrying passengers otherwise than at separate fares, it is not to be regarded as a public service vehicle for the purpose of the Private Hire Vehicles (London) Act 1998.

(3) But subsection (1) or (2) does not apply where the vehicle is being so provided or made available in the course of a business of carrying passengers by motor vehicles all but a small part of which involves the operation of large buses.

(4) In this section—

"small bus" means a public service vehicle within paragraph (b) of subsection (1) of section 1 of this Act; and

"large buses" means public service vehicles within paragraph (a) of that subsection."

(3) In section 167(4) of the Criminal Justice and Public Order Act 1994 (touting for hire car services: defence in case of public service vehicles), for "passengers for public service vehicles" substitute "passengers to be carried at separate fares by public service vehicles".'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 32

SCHOOL CROSSING PATROLS

'.—(1) The Road Traffic Regulation Act 1984 is amended as follows.

(2) In sections 26 (arrangements for patrolling school crossings) and 28 (stopping of vehicles at school crossings) for the word "children", in each place where it occurs, substitute the word "pedestrians".'.—*[Mr. Michael J. Foster.]*

Brought up, read the First and Second time, and added to the Bill.

New Schedule 1

"COMPETITION TEST FOR EXERCISE OF BUS FUNCTIONS

Functions to which Schedule applies

1.—(1) The functions to which this Schedule applies are those of—

(a) making and varying quality partnership schemes,

(b) making and varying ticketing schemes, and

(c) inviting and accepting tenders under section 89 or 91 of the Transport Act 1985 (subsidised services).

(2) For the purposes of this Schedule an authority proposes (or authorities propose) to exercise a function to which this Schedule applies—

(a) in the case of the function of making or varying a quality partnership scheme, once notice of a proposal to make or vary it has been given under section 98(1),

(b) in the case of the function of making or varying a ticketing scheme, once notice of a proposal to make or vary it has been given under section 117(1), and

(c) in the case of the function of inviting or accepting tenders under section 89 or 91 of the Transport Act 1985, once it is proposed to invite tenders under section 89(2) or 91(3) of that Act or to accept or not to accept a tender under section 89 of that Act.

Competition test

2.—(1) For the purposes of this Schedule the exercise or proposed exercise of a function to which this Schedule applies meets the competition test unless it—

(a) has or is likely to have a significantly adverse effect on competition, and

(b) is not justified by sub-paragraph (2).

(2) The exercise or proposed exercise of a function is justified if—

(a) it is with a view to achieving one or more of the purposes specified in sub-paragraph (3), and

(b) its effect on competition is or is likely to be proportionate to the achievement of that purpose or any of those purposes.

(3) The purposes referred to in sub-paragraph (2) are—

(a) securing improvements in the quality of vehicles or facilities used for or in connection with the provision of local services,

(b) securing other improvements in local services of substantial benefit to users of local services, and

(c) reducing or limiting traffic congestion, noise or air pollution.

Applications to Director for decision

3.—(1) An application may be made to the Director General of Fair Trading (in this Schedule referred to as "the Director") for him to decide whether the exercise or proposed exercise of a function to which this Schedule applies meets the competition test.

(2) An application may be made under this paragraph by—

(a) the authority or authorities by whom the function has been exercised or is proposed to be exercised, or

(b) any operator of local services who is, or is likely to be, affected by the exercise of the function.

4.—(1) If an application is made under paragraph 3 by the authority or authorities by whom a function has been exercised or is proposed to be exercised, it or they must inform any operators of local services who, in the opinion of the authority or authorities, are or are likely to be affected by the exercise of the function that the application has been made.

(2) If an application is made under paragraph 3 by an operator of local services, he must inform the authority or authorities by whom the function has been exercised or is proposed to be exercised that the application has been made.

(3) The Director must arrange for an application made under paragraph 3 to be published in such a way as he thinks most suitable for bringing it to the attention of those likely to be affected by it, unless he is satisfied that it will be sufficient for him to seek information from one or more particular persons.

(4) In determining an application made under paragraph 3, the Director must take into account any representations made to him about the application.

Investigations by Director

5. If at any time the Director considers that the exercise or proposed exercise of a function to which this Schedule applies may not meet the competition test, he may conduct an investigation.

6.—(1) For the purposes of an investigation under paragraph 5 the Director may require any person—

(a) to produce to him or to a person appointed by him, at a specified time and place, any specified document, or

(b) to provide him or such a person, at such a time and place, any specified information,

which he considers relates to any matter relevant to the investigation.

(2) The power conferred by sub-paragraph (1) is to be exercised by a notice in writing indicating the subject matter and purpose of the investigation; and in this paragraph "specified" means—

(a) specified, or described, in the notice, or

(b) falling within a category which is specified, or described, in the notice.

(3) Information required to be provided sub-paragraph (1) shall be provided in the specified manner and form.

(4) The power conferred by sub-paragraph (1) to require a person to produce a document includes power—

(a) to require him to provide an explanation of the document, or

(b) if the document is not produced, to require him to state, to the best of his knowledge and belief, where it is.

(5) In this paragraph "information" includes estimates and forecasts.

7.—(1) If a person refuses or fails to comply with a notice under paragraph 6, the Director may certify that fact in writing to the High Court which may enquire into the case.

(2) If after hearing—

(a) any witness who may be produced against or on behalf of the person, and

(b) any statement which may be offered in defence,

the High Court is satisfied that the person did not have a reasonable excuse for refusing or failing to comply with the notice, the High Court may punish him as if he had been guilty of contempt of court.

8.—(1) A person shall not be required under paragraph 6 to produce or disclose a privileged communication.

(2) In sub-paragraph (1) "privileged communication" means a communication—

(a) between a professional legal adviser and his client, or

(b) made in connection with, or in contemplation of, legal proceedings and for the purposes of those proceedings,

which in proceedings in the High Court would be protected from disclosure on grounds of legal professional privilege.

9.—(1) No information which—

(a) has been obtained under paragraph 6, and

(b) relates to the affairs of any individual or to any particular business,

is to be disclosed during the lifetime of that individual or while that business continues to be carried on, unless the condition mentioned in sub-paragraph (2) is satisfied.

(2) The condition is that consent to the disclosure has been obtained from—

(a) the person from whom the information was obtained under paragraph 6, and

(b) if different, the individual to whose affairs the information relates or the person for the time being carrying on the business to which the information relates.

(3) Sub-paragraph (1) does not apply to a disclosure of information—

(a) made for the purpose of facilitating the performance of any function of the Director, a traffic commissioner or the Rail Regulator,

(b) made for the purpose of facilitating the performance of any function of the European Commission in respect of Community law about competition,

(c) made for the purpose of criminal proceedings in any part of the United Kingdom or in connection with the investigation of a criminal offence triable in any part of the United Kingdom, or

(d) made in compliance with the order of a court or tribunal.

(4) If information is disclosed to the public in circumstances in which the disclosure does not contravene sub-paragraph (1), that sub-paragraph does not prevent its further disclosure by any person.

(5) A person who contravenes this paragraph is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

10. Before the Director, as the result of an investigation under paragraph 5, makes a decision that the exercise or proposed exercise of a function does not meet the competition test, he must—

(a) give written notice to the person or persons likely to be affected by the proposed decision, and

(b) give that person or those persons an opportunity to make representations.

Decisions

11. When the Director makes a decision—

(a) on an application under paragraph 3, or

(b) after an investigation under paragraph 5,

he must publish his decision, together with his reasons for making it.

12. If the Director has determined an application under paragraph 3 by making a decision that the exercise or proposed exercise of a function to which this Schedule applies meets the competition test, he is to take no further action under this Schedule with respect to it unless—

(a) he has reasonable grounds for believing that there has been a material change of circumstance since he made his decision, or

(b) he has a reasonable suspicion that the information on which he based his decision was incomplete, false or misleading in a material particular.

Enforcement of decisions

13.—(1) If the Director has made a decision that the exercise or proposed exercise of a function to which this Schedule applies does not meet the competition test, he may give to the authority or authorities by which it was or was to be exercised such directions as he considers appropriate.

(2) A direction under sub-paragraph (1) may (in particular)—

(a) in the case of a proposal to exercise a function, include provision prohibiting the exercise of the function in the manner proposed,

(b) in the case of the exercise of the function of making or varying a quality partnership scheme or a ticketing scheme, include provision requiring the variation or revocation of the scheme,

(c) in the case of the exercise of the function of inviting tenders under section 89(2) or 91(3) of the Transport Act 1985, include provision requiring the variation or withdrawal of the invitation, and

(d) in the case of the exercise of the function of accepting or not accepting a tender under section 89 or 91 of that Act, include provision requiring the variation or termination of any agreement entered into by accepting the tender or requiring the acceptance of any tender.

(3) A direction under sub-paragraph (1) must be given in writing.

(4) If an authority fails, without reasonable excuse, to comply with a direction under sub-paragraph (1), the Director may apply to the High Court for an order requiring the authority to comply with the direction within a time specified in the order.

(5) An order under sub-paragraph (4) may provide for all of the costs of, or incidental to, the application for the order to be borne by the authority.

False or misleading information

14.—(1) If information is provided by a person to the Director in connection with his functions under this Schedule, the person is guilty of an offence if—

(a) the information is false or misleading in a material particular, and

(b) the person knows that it is or is reckless as to whether it is.

(2) If a person—

(a) provides any information to another person, knowing the information to be false or misleading in a material particular, or

(b) recklessly provides to another person any information which is false or misleading in a material particular,

knowing that the information is to be used for the purpose of providing information to the Director in connection with his functions under this Schedule, the person is guilty of an offence.

(3) A person guilty of an offence under this paragraph is liable on summary conviction to a fine not exceeding level 5 on the standard scale.

Defamation

15. For the purposes of the law relating to defamation, absolute privilege attaches to any decision made or notice given by the Director in the exercise of any of his functions under this Schedule.

Fees

16.—(1) The Director may charge fees in connection with the exercise by him of any of his functions under this Schedule.

(2) Different fees may be charged in connection with different functions and in different circumstances.

(3) An application under paragraph 3 is not to be regarded as duly made unless any appropriate fee is paid.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Schedule 2

"REVIEW OF ACCESS CHARGES BY REGULATOR

The Schedule to be inserted after Schedule 4 to the Railways Act 1993 is as follows—

"SCHEDULE 4A

REVIEW OF ACCESS CHARGES BY REGULATOR

Introductory

1.—(1) For the purposes of this Schedule an access charges review is a review by the Regulator of the terms of an access agreement, or of the terms of an access agreement and the conditions of any linked licence, as to—

(a) the amounts payable under the access agreement by one of the parties to the other; and

(b) the times at which, and manner in which, those amounts are payable.

(2) In this Schedule "linked licence", in relation to an access agreement, means a licence of which the holder is—

(a) the facility owner, or installation owner, who is a party to the access agreement; or

(b) any other person who has an estate or interest in, or right over, the railway facility or network installation to which the access agreement relates.

Main provisions

2.—(1) The procedure for the implementation of an access charges review shall be as provided for by paragraphs 4 to 16 of this Schedule.

(2) And any procedure relating to the implementation of an access charges review for which the access agreement or any linked licence makes provision shall not apply.

3. An access charges review may include a consideration of—

(a) the time at which the next access charges review in relation to the access agreement may be undertaken; and

(b) circumstances in which an access charges review in relation to the access agreement may be undertaken before that time.

Review notice

4.—(1) The implementation of an access charges review shall be initiated by the Regulator giving notice (a "review notice")—

(a) stating his conclusions on the access charges review and the reasons why he reached those conclusions;

(b) specifying the relevant changes which he proposes to make for or in connection with giving effect to those conclusions;

(c) stating, in relation to each of the proposed relevant changes, the date on which he proposes that it should come into operation; and

(d) specifying the period (not being less than six weeks from the date of publication of the notice) within which objections with respect to any of the proposed relevant changes, or the date on which it is proposed that it should come into operation, may be made by a person within sub-paragraph (4)(a) or (b) below.

(2) In this Schedule "relevant changes", in relation to an access agreement, means—

(a) amendments of the access agreement;

(b) modifications of the conditions of any linked licence; or

(c) both such amendments and such modifications;

and references to the making of relevant changes are, in the case of amendments of the access agreement, references to directing the parties to the access agreement to make the amendments to the access agreement.

(3) The review notice shall be given—

(a) by publishing it in such manner as the Regulator considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the proposed relevant changes; and

(b) by serving a copy on the persons specified in sub-paragraph (4) below.

(4) The persons referred to in sub-paragraph (3)(b) above are—

(a) the facility owner, or installation owner, who is a party to the access agreement;

(b) any other person who has an estate or interest in, or right over, the railway facility or network installation to which the access agreement relates and who the Regulator considers ought to be given a copy; and

(c) the beneficiary.

(5) In this Schedule "the beneficiary"—

(a) in relation to an access contract, has the meaning given by section 17(6) of this Act; and

(b) in relation to an installation access contract, has the meaning given by section 19(10) of this Act.

Notice of agreement

5.—(1) If no objections are duly made by a person within paragraph 4(4)(a) or (b) above (or any that are so made are withdrawn), the Regulator shall give notice (a "notice of agreement") stating that fact.

(2) The notice of agreement shall be given—

(a) by publishing it in such manner as the Regulator considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the proposed relevant changes; and

(b) by serving a copy on the beneficiary.

Termination notice

6.—(1) After a copy of a notice of agreement is served on the beneficiary, he may give notice (a "termination notice") terminating the access agreement.

(2) The termination notice shall specify the date on which the access agreement is to terminate.

(3) The termination notice shall be given by serving a copy on—

(a) the facility owner or installation owner;

(b) any other person who has an estate or interest in, or right over, the railway facility or network installation and who received a copy of the review notice; and

(c) the Regulator.

(4) The date specified by the termination notice as that on which the access agreement is to terminate shall be neither—

(a) less than six months, nor

(b) more than one year,

after the copy of the termination notice is served on the facility owner or installation owner.

(5) The termination notice may not be given after the end of the period of 28 days beginning with the day on which the copy of the notice of agreement is served on the beneficiary.

Review implementation notice

7.—(1) After a copy of a notice of agreement is served on the beneficiary and the time within which a termination notice may be given by him has expired—

(a) if he has not given a termination notice (or has withdrawn any notice which he has given), the Regulator shall (unless he acts under paragraph 8(2) below) give a review implementation notice; or

(b) if he has given (and not withdrawn) a termination notice, the Regulator may give such a notice.

(2) A review implementation notice is a notice stating that the Regulator's conclusions on the access charges review are to be implemented as proposed in the review notice.

(3) The review implementation notice shall—

(a) specify the relevant changes which the Regulator is making; and

(b) state, in relation to each of the relevant changes, the date on which it comes into operation.

(4) The review implementation notice shall be given—

(a) by publishing it in such manner as the Regulator considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the relevant changes; and

(b) by serving a copy on the persons on whom a copy of the review notice was served, the Authority and the Health and Safety Executive.

New review notice or Competition Commission reference

8.—(1) This paragraph applies if—

(a) objections are duly made by a person within paragraph 4(4)(a) or (b) above (and not withdrawn); or

(b) although no objections are duly made by a person within paragraph 4(4)(a) or (b) above (or any that are so made are withdrawn), relevant objections are duly made (and not withdrawn) in relation to a similar review notice relating to another access agreement.

(2) The Regulator may—

(a) give a new review notice under paragraph 4 above; or

(b) make a reference to the Competition Commission under paragraph 9 below.

(3) For the purposes of sub-paragraph (1) above—

(a) "relevant objections", in relation to another access agreement, means objections by a person who is within paragraph 4(4)(a) or (b) above in relation to that other access agreement; and

(b) one review notice is similar to another if they make provision which, in the opinion of the Regulator, is to broadly the same effect.

(4) Before acting under sub-paragraph (1) above, the Regulator shall consider the objections referred to in that sub-paragraph.

(5) If the Regulator gives a new review notice under paragraph 4 above by virtue of sub-paragraph (2)(a) above, the references in that paragraph and paragraph 7(2) above to his conclusions on the access charges review shall be read in relation to the new notice as references to those conclusions as modified since the previous review notice (in particular as the result of any objections or representations made in relation to it).

Reference to Competition Commission

9.—(1) A reference to the Competition Commission under this paragraph shall be so framed as to require them to investigate and report on the questions specified in sub-paragraph (2) below.

(2) Those questions are—

(a) whether the matters considered on the access charges review which are specified in the reference operate, or may be expected to operate, against the public interest; and

(b) if so, whether the effects adverse to the public interest which those matters have or may be expected to have could be remedied or prevented by the making of relevant changes.

(3) The Regulator may, at any time, by notice given to the Competition Commission vary a reference under this paragraph—

(a) by adding to the matters specified in the reference; or

(b) by excluding from the reference some or all of the matters so specified.

(4) On receipt of such a notice the Competition Commission shall give effect to the variation.

(5) The Regulator may specify in a reference under this paragraph, or a variation of such a reference, for the purpose of assisting the Competition Commission in carrying out the investigation on the reference—

(a) any effects adverse to the public interest which, in his opinion, the matters specified in the reference or variation have or may be expected to have; and

(b) any relevant changes by which, in his opinion, those effects could be remedied or prevented.

(6) As soon as practicable after making a reference under this paragraph, or a variation of such a reference, the Regulator—

(a) shall serve a copy of the reference or variation on the persons on whom a copy of the review notice was served; and

(b) shall publish particulars of the reference or variation in such manner as he considers appropriate for the purpose of bringing the reference or variation to the attention of persons likely to be affected by it.

(7) For the purpose of assisting the Competition Commission in carrying out an investigation on a reference under this paragraph, the Regulator shall give to the Competition Commission any information in his possession which relates to matters falling within the scope of the investigation and—

(a) is requested by the Competition Commission for that purpose; or

(b) is information which, in his opinion, it would be appropriate for that purpose to give to the Competition Commission without any such request;

and any other assistance which the Competition Commission may require, and which it is within his power to give, in relation to any such matters.

(8) For the purpose of carrying out such an investigation, the Competition Commission shall take account of any information given to them for that purpose under sub-paragraph (7) above.

(9) In determining for the purposes of this paragraph whether any particular matter operates, or may be expected to operate, against the public interest, the Competition Commission shall have regard to the matters as respects which duties are imposed on the Regulator by section 4 of this Act.

10.—(1) The provisions mentioned in sub-paragraph (2) below are to apply in relation to references under paragraph 9 above as if—

(a) the functions of the Competition Commission in relation to those references were functions under the 1973 Act;

(b) the expression "merger reference" included a reference under that paragraph; and

(c) in section 70 of the 1973 Act references to the Secretary of State were references to the Regulator and the reference to three months were a reference to six months.

(2) The provisions are—

(a) sections 70 (time limit for report on merger), 85 (attendance of witnesses and production of documents) and 93B (false or misleading information) of the 1973 Act;

(b) Part II of Schedule 7 to the Competition Act 1998 (performance of the Competition Commission's general functions); and

(c) section 24 of the 1980 Act (modification of provisions about performance of such functions).

Report on reference

11.—(1) In making a report on a reference under paragraph 9 above, the Competition Commission shall include in the report—

(a) definite conclusions on the questions comprised in the reference; and

(b) such an account of their reasons for those conclusions as in their opinion is expedient for facilitating a proper understanding of those questions and of their conclusions.

(2) Where they conclude that any of the matters specified in the reference operate, or may be expected to operate, against the public interest, they shall specify in the report the effects adverse to the public interest which those matters have or may be expected to have.

(3) Where they conclude that any adverse effects so specified could be remedied or prevented by the making of relevant changes, they shall in the report—

(a) specify the relevant changes by which those effects could be remedied or prevented; and

(b) state, in relation to each of the relevant changes, the date on which it should come into operation.

(4) A date stated in the report as that on which a relevant change should come into operation may be a date before the report is made, provided that it is not before the earliest date specified in the review notice for the coming into operation of a relevant change proposed in it.

(5) Section 82 of the 1973 Act (general provisions as to reports) shall apply in relation to reports of the Competition Commission on references under paragraph 9 above as it applies to reports of the Competition Commission under that Act.

(6) A report of the Competition Commission on a reference under paragraph 9 above shall be made to the Regulator.

(7) The Regulator shall, on receiving such a report, send a copy of it to the Secretary of State and the Authority.

(8) Not less than 14 days after that copy is received by the Secretary of State, the Regulator shall send a copy to each of the persons on whom a copy of the review notice was served.

(9) Not less than 24 hours after complying with sub-paragraph (8) above, the Regulator shall publish the report in such manner as he considers appropriate for bringing the report to the attention of persons likely to be affected by it.

(10) If it appears to the Secretary of State that the publication of any matter in the report would be against the public interest or the commercial interests of any person, he may, before the end of the period of 14 days after he receives his copy of the report, direct the Regulator to exclude that matter from—

(a) every copy of the report sent under sub-paragraph (8) above, and

(b) the version of the report published under sub-paragraph (9) above.

Changes following report

12.—(1) Where a report of the Competition Commission on a reference under paragraph 9 above—

(a) includes conclusions to the effect that any of the matters specified in the reference operate, or may be expected to operate, against the public interest,

(b) specifies effects adverse to the public interest which those matters have or may be expected to have,

(c) includes conclusions to the effect that those effects could be remedied or prevented by the making of relevant changes, and

(d) specifies relevant changes by which those effects could be remedied or prevented,

the Regulator shall, subject to the following provisions of this paragraph and paragraph 13 below, make such relevant changes as appear to him requisite for the purpose of remedying or preventing the adverse effects specified in the report.

(2) Before making relevant changes under this paragraph, the Regulator shall have regard to the relevant changes specified in the report.

(3) Before making relevant changes under this paragraph, the Regulator shall give notice—

(a) stating that he proposes to make the relevant changes and setting out their effect,

(b) stating the reasons why he proposes to make the relevant changes,

(c) stating, in relation to each of the proposed relevant changes, the date on which he proposes that it should come into operation, and

(d) specifying the period (not being less than 28 days from the date of publication of the notice) within which representations or objections with respect to the proposed relevant changes may be made,

and shall consider any representations or objections which are duly made and not withdrawn.

(4) A notice under sub-paragraph (3) above shall be given—

(a) by publishing the notice in such manner as the Regulator considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the making of the relevant changes; and

(b) by serving a copy of the notice on the persons on whom a copy of the review notice was served.

(5) Where (after considering any representations or objections which are duly made and not withdrawn) the Regulator proposes to make relevant changes under this paragraph, he shall give notice to the Competition Commission—

(a) setting out the relevant changes he proposes to make;

(b) stating the reasons why he proposes to make the relevant changes; and

(c) stating, in relation to each of the proposed relevant changes, the date on which he proposes that it should come into operation.

(6) The Regulator shall include with the notice under sub-paragraph (5) above a copy of any representations and objections which have been considered.

(7) A date stated in a notice under sub-paragraph (3) or (5) above as that on which a relevant change should come into operation may be a date before the notice is given, provided that it is not before the earliest date specified in the review notice for the coming into operation of a relevant change proposed in it.

(8) If the period within which a direction may be given by the Competition Commission under paragraph 13 below expires without such a direction being given, the Regulator shall make the relevant changes set out in the notice under sub-paragraph (5) above.

(9) If a direction is given by the Competition Commission under paragraph 13(1)(b) below, the Regulator shall make such of those relevant changes as are not specified in the direction.

(10) As soon as practicable after making relevant changes under this paragraph, the Regulator shall send a copy of the relevant changes to the Authority and the Health and Safety Executive.

Competition Commission's power to veto changes

13.—(1) The Competition Commission may, within the period of four weeks beginning with the day on which they are given notice under paragraph 12(5) above, give a direction to the Regulator—

(a) not to make the relevant changes set out in the notice; or

(b) not to make such of those relevant changes as are specified in the direction.

(2) The Secretary of State may, if an application is made to him by the Competition Commission within that period of four weeks, extend the period within which a direction may be given under this paragraph to one of six weeks beginning with the day on which the Competition Commission are given notice under paragraph 12(5) above.

(3) The Competition Commission may give a direction under this paragraph only if the relevant changes to which it relates do not appear to them requisite for the purpose of remedying or preventing the adverse effects specified in their report on the reference under paragraph 9 above.

(4) If the Competition Commission give a direction under this paragraph, they shall give notice—

(a) setting out the relevant changes contained in the notice given under paragraph 12(5) above;

(b) setting out the direction; and

(c) stating the reasons why they are giving the direction.

(5) A notice under sub-paragraph (4) above shall be given—

(a) by publishing the notice in such manner as the Competition Commission consider appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the direction; and

(b) by serving a copy of the notice on the persons on whom a copy of the review notice was served.

Making of changes by Competition Commission

14.—(1) If the Competition Commission give a direction under paragraph 13 above, they may themselves make such relevant changes as appear to them requisite for the purpose of remedying or preventing—

(a) the adverse effects specified in their report on the reference under paragraph 9 above; or

(b) such of those adverse effects as would not be remedied or prevented by the relevant changes made by the Regulator under paragraph 12(8) above.

(2) In exercising the function conferred by sub-paragraph (1) above, the Competition Commission shall have regard to the matters as respects which duties are imposed on the Regulator by section 4 of this Act.

(3) Before making relevant changes under this paragraph, the Competition Commission shall give notice—

(a) stating that they propose to make the relevant changes and setting out their effect,

(b) stating the reasons why they propose to make the relevant changes,

(c) stating, in relation to each of the proposed relevant changes, the date on which they propose that it should come into operation, and

(d) specifying the period (not being less than 28 days from the date of publication of the notice) within which representations or objections may be made,

and shall consider any representations or objections which are duly made and not withdrawn.

(4) A date stated in a notice under sub-paragraph (3) above as that on which a relevant change should come into operation may be a date before the notice is given, provided that it is not before the earliest date specified in the review notice for the coming into operation of a relevant change proposed in it.

(5) A notice under sub-paragraph (3) above shall be given—

(a) by publishing the notice in such manner as the Competition Commission consider appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the making of the relevant changes; and

(b) by serving a copy of the notice on the persons on whom a copy of the review notice was served.

(5) As soon as practicable after making any relevant changes under this paragraph, the Competition Commission shall send a copy of those relevant changes to the Regulator, the Authority and the Health and Safety Executive.

Paragraphs 13 and 14: supplementary

15.—(1) The provisions mentioned in sub-paragraph (2) below are to apply in relation to the exercise by the Competition Commission of their functions under paragraphs 13 and 14 above as if—

(a) in section 82(1) and (2) of the 1973 Act references to a report of the Competition Commission under that Act were references to a notice under paragraph 13(4) or 14(3) above;

(b) in section 85 of that Act references to an investigation on a reference made to the Competition Commission were references to an investigation by the Competition Commission for the purposes of the exercise of their functions under those paragraphs; and

(c) in section 93B of that Act references to the functions of the Competition Commission under that Act were references to their functions under those paragraphs.

(2) The provisions are—

(a) sections 82(1) and (2) (general provisions as to reports), 85 (attendance of witnesses and production of documents) and 93B (false or misleading information) of the 1973 Act;

(b) Part II of Schedule 7 to the Competition Act 1998 (performance of the Competition Commission's general functions); and

(c) section 24 of the 1980 Act (modification of provisions about performance of such functions).

(3) For the purpose of assisting the Competition Commission in exercising their functions under paragraphs 13 and 14 above, the Regulator shall give to the Competition Commission any information in his possession which relates to matters relevant to the exercise of those functions and—

(a) is requested by the Competition Commission for that purpose; or

(b) is information which, in his opinion, it would be appropriate for that purpose to give to the Competition Commission without any such request;

and any other assistance which the Competition Commission may require, and which it is within his power to give, in relation to any such matters.

(4) For the purpose of exercising those functions, the Competition Commission shall take account of any information given to them for that purpose under sub-paragraph (3) above.

Termination notice in response to proposals after reference

16.—(1) Where a notice is served on the beneficiary under paragraph 12(3) or 14(3) above, he may give notice (a "post-reference termination notice") terminating the access agreement.

(2) The post-reference termination notice shall specify the date on which the access agreement is to terminate.

(3) The post-reference termination notice shall be given by serving a copy on—

(a) the facility owner or installation owner;

(b) any other person who has an estate or interest in, or right over, the railway facility or network installation and who received a copy of the review notice; and

(c) the Regulator.

(4) The date specified by the post-reference termination notice as that on which the access agreement is to terminate shall be neither—

(a) less than six months, nor

(b) more than one year,

after the copy of the post-reference termination notice is served on the facility owner or installation owner.

(5) The post-reference termination notice may not be given after the end of the period of 28 days beginning with the day on which the copy of the notice under paragraph 12(3) or 14(3) above is served on the beneficiary.".'. —*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New Schedule 3

"TRANSFERS: TAX

PART I

INTERPRETATION

1.—(1) In this Schedule—

"the 1988 Act" means the Income and Corporation Taxes Act 1988,

"the 1990 Act" means the Capital Allowances Act 1990,

"the 1992 Act" means the Taxation of Chargeable Gains Act 1992,

"the Capital Allowances Acts" has the same meaning as in the Tax Acts,

"fixture" has the same meaning as in Chapter VI of Part II of the 1990 Act,

"franchise company" means any body corporate which is, or is to be, the franchisee or the franchise operator under a franchise agreement, and

"qualifying transfer" means a transfer which is a relevant transfer for the purposes of any of Parts II to VI of this Schedule.

(2) So far as it relates to corporation tax, this Schedule is to be construed as one with the Corporation Tax Acts.

(3) So far as it relates to capital allowances, this Schedule is to be construed as one with the Capital Allowances Acts.

PART II

TRANSFERS TO SRA FROM FRANCHISING DIRECTOR, SECRETARY OF STATE AND REGULATOR

Interpretation

2. In this Part of this Schedule—

"relevant transfer" means a transfer of property, rights or liabilities by virtue of—

(a) section 192,

(b) a scheme under paragraph 1 of Schedule 14, or

(c) a scheme under paragraph 31 of Schedule 16,

"transferee", in relation to a relevant transfer, means the Authority, and

"transferor", in relation to a relevant transfer, means the person from whom the property, rights or liabilities are transferred.

Chargeable gains: general

3. For the purposes of the 1992 Act a disposal by virtue of provision made under paragraph 34(a) of Schedule 16 is to be taken to be for a consideration such that no gain or loss accrues to the person making the disposal.

Chargeable gains: disposal of debts

4.—(1) Sub-paragraph (2) applies if in the case of a relevant transfer—

(a) a debt owed to the transferor is transferred to the transferee, and

(b) the transferor would, apart from this paragraph, be the original creditor in relation to that debt for the purposes of section 251 of the 1992 Act (disposal of debts).

(2) The 1992 Act is to have effect as if the transferee (and not the transferor) were the original creditor for those purposes.

Capital allowances for machinery and plant

5.—(1) This paragraph applies in relation to property if—

(a) the property is plant or machinery to which a relevant transfer relates,

(b) the property would be treated for the purposes of the Capital Allowances Acts as disposed of by the transferor to the transferee on the transfer taking effect, and

(c) the relevant order or scheme contains provision for the transferee to be taken for the purposes of those Acts to have incurred capital expenditure of an amount specified in or determined in accordance with the order or scheme on the provision of the property.

(2) For the purposes of those Acts—

(a) the transferee is to be taken to have incurred capital expenditure of that amount on the provision of the property for the purposes for which it is used by the transferee on and after the taking effect of the transfer,

(b) the property is to be taken as belonging to the transferee in consequence of the transferee having incurred that expenditure, and

(c) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee is to be taken for the purposes of section 54 of the 1990 Act to be incurred by the giving of a consideration consisting in a capital sum of that amount.

(3) In sub-paragraph (1)(c) "the relevant order or scheme" means—

(a) in the case of a transfer by virtue of section 192, an order made by the Secretary of State by statutory instrument, or

(b) in the case of a transfer by virtue of a scheme under paragraph 1 of Schedule 14 or paragraph 31 of Schedule 16, the scheme concerned.

(4) A provision mentioned in sub-paragraph (1)(c) for the determination of an amount may include provision—

(a) for a determination to be made by the Secretary of State in a manner described in the order or scheme,

(b) for a determination to be made by reference to factors so described or to the opinion of a person so described, and

(c) for a determination to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.

(5) The Treasury's consent is required for the making or modification of a determination under a provision mentioned in sub-paragraph (1)(c).

(6) The transferee's consent is also required for such a modification after the relevant transfer takes effect.

(7) If there is a determination or a modification of a determination under a provision mentioned in sub-paragraph (1)(c) all necessary adjustments—

(a) must be made by making assessments or by repayment or discharge of tax, and

(b) must be made despite any limitation on the time within which assessments may be made.

Capital allowances for machinery and plant: connected persons

6. For the purposes of Part II of the 1990 Act references in that Part to a transaction (however described) between connected persons within the meaning of section 839 of the 1988 Act are not to include references to a relevant transfer.

Loan relationships

7.—(1) Sub-paragraph (2) applies if as a result of a relevant transfer the transferee replaces, or (if the transferor had been a company) would have replaced, the transferor as a party to a loan relationship.

(2) Chapter II of Part IV of the Finance Act 1996 is to have effect in relation to any period beginning with the time the relevant transfer takes effect as if—

(a) the transferee had been a party to the loan relationship at the time the transferor became, or (if the transferor had been a company) would have become, a party to the loan relationship and at all times since that time, and

(b) the loan relationship to which the transferee is a party after the time the transfer takes effect is the same loan relationship as that to which, by virtue of paragraph (a), it is treated as having been a party before that time.

(3) Expressions used in this paragraph and in Chapter II of Part IV of the Finance Act 1996 have the same meanings in this paragraph as in that Chapter.

PART III

TRANSFERS FROM BR TO SRA

Interpretation

8. In this Part of this Schedule—

"relevant transfer" means a transfer of property, rights or liabilities by virtue of—

(a) paragraph 11 of Schedule 17, or

(b) a scheme under paragraph 1 of Schedule 18,

"transferee", in relation to a relevant transfer, means the Authority, and

"transferor", in relation to a relevant transfer, means the Board.

Chargeable gains: general

9. For the purposes of the 1992 Act a disposal—

(a) constituted by a relevant transfer, or

(b) by virtue of provision made under paragraph 4 of Schedule 18,

is to be taken (in relation to the person to whom the disposal is made as well as the person making the disposal) to be for a consideration such that no gain or loss accrues to the person making the disposal.

Chargeable gains: restriction of losses

10.—(1) If there has been a disposal of an asset—

(a) constituted by a relevant transfer, or

(b) by virtue of provision made under paragraph 4 of Schedule 18,

subsection (8) of section 41 of the 1992 Act (which applies that section to cases where assets have been acquired without gain or loss) is to have effect as if the asset had been disposed of and acquired in circumstances mentioned in that subsection.

(2) This paragraph is not to prejudice paragraph 9.

Chargeable gains: groups

11.—(1) Sub-paragraph (2) applies if a company ("the degrouped company")—

(a) acquired an asset from another company at any time when both were members of the same group of companies ("the old group"), and

(b) ceases by virtue of a relevant transfer to be a member of the old group.

(2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.

(3) If sub-paragraph (2) applies to an asset, that section is to have effect on and after the first subsequent occasion on which the degrouped company ceases to be a member of a group of companies ("the new group"), otherwise than by virtue of a qualifying transfer, as if the degrouped company and the company from which it acquired the asset had been members of the new group at the time of acquisition.

(4) If, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the 1992 Act (and, accordingly, of this paragraph) as ceasing to be a member of a group of companies by virtue of a qualifying transfer, it is to be regarded for those purposes as so doing by virtue of the qualifying transfer and not by virtue of any preparatory transactions.

(5) In this paragraph "preparatory transaction" means anything done under or by virtue of this Part of this Act for the purpose of initiating, advancing or facilitating the qualifying transfer in question.

(6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

Chargeable gains: disposal of debts

12.—(1) Sub-paragraph (2) applies if in the case of a relevant transfer—

(a) a debt owed to the transferor is transferred to the transferee, and

(b) the transferor would, apart from this paragraph, be the original creditor in relation to that debt for the purposes of section 251 of the 1992 Act (disposal of debts).

(2) The 1992 Act is to have effect as if the transferee (and not the transferor) were the original creditor for those purposes.

Continuity in relation to capital allowances etc where trade transferred

13.—(1) If, apart from this paragraph—

(a) the transferor would be treated for the purposes of the Corporation Tax Acts as having ceased, by virtue of a relevant transfer taking effect, to carry on any trade, and

(b) the transferee would be treated as having begun, on that transfer taking effect, to carry it on,

the trade is not to be treated as permanently discontinued, nor a new trade as set up, for the purposes of the allowances and charges provided for by the Capital Allowances Acts, but sub-paragraphs (2) to (4) are to apply.

(2) Subject to sub-paragraphs (3) and (4), in a case falling within sub-paragraph (1)—

(a) there are to be made to or on the transferee in accordance with the Capital Allowances Acts all such allowances and charges as would, if the transferor had continued to carry on the trade, have fallen to be made to or on the transferor; and

(b) the amount of any such allowance or charge is to be computed as if—

(i) the transferee had been carrying on the trade since the transferor began to do so; and

(ii) everything done to or by the transferor had been done to or by the transferee (but so that the relevant transfer itself, so far as it relates to any assets in use for the purpose of the trade, shall not be treated as giving rise to any such allowance or charge).

(3) For the purposes of the Corporation Tax Acts, only such amounts (if any) as may be specified in or determined in accordance with an order made by the Secretary of State by statutory instrument are to be allocated to the transferee in respect of expenditure by

reference to which capital allowances may be made by virtue of sub-paragraph (2) in relation to anything to which the transfer relates.

(4) Sub-paragraph (2) is to affect the amounts falling to be taken into account in relation to the transferor as expenditure by reference to which capital allowances may be made only so far as necessary to give effect to a reduction of any such amount by a sum equal to so much of that amount as is allocated to the transferee as mentioned in sub-paragraph (3).

(5) An order under sub-paragraph (3) may include provision—

(a) for a determination to be made by the Secretary of State in a manner described in the order,

(b) for a determination to be made by reference to factors so described or to the opinion of a person so described, and

(c) for a determination to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.

(6) The Treasury's consent is required for the making or modification of a determination of any such amount as is mentioned in sub–paragraph (5).

(7) The transferee's consent is also required for such a modification after the relevant transfer takes effect.

(8) In determining whether sub-paragraph (1) has effect in relation to a relevant transfer in a case where—

(a) the transferor continues to carry on any trade or part of a trade after the transfer takes effect, or

(b) the transferee was carrying on any trade before the transfer takes effect,

the trade or part of a trade which is continued, or was being carried on, shall for the purposes of that sub-paragraph be treated in relation to any trade or part of a trade which is transferred by virtue of the transfer as a separate trade and shall accordingly be disregarded.

(9) If there is a determination or a modification of a determination for any purposes of this paragraph, all necessary adjustments—

(a) must be made by making assessments or by repayment or discharge of tax, and

(b) must be made despite any limitation on the time within which assessments may be made.

Capital allowances for machinery and plant

14.—(1) This paragraph applies in relation to property if—

(a) the property is plant or machinery to which a relevant transfer relates,

(b) paragraph 13 does not apply in relation to the transfer of the property to the transferee,

(c) the property would be treated for the purposes of the Capital Allowances Acts as disposed of by the transferor to the transferee on the transfer taking effect, and

(d) the scheme concerned contains provision for the disposal value of the property to be taken for the purposes of those Acts to be of an amount specified in or determined in accordance with the scheme.

(2) For the purposes of those Acts—

(a) the provision mentioned in sub-paragraph (1)(d) is to have effect (instead of section 26(1) or 59 of the 1990 Act) for determining an amount as the disposal value of the property or the price at which a fixture is to be treated as sold,

(b) the transferee is to be taken to have incurred capital expenditure of that amount on the provision of the property for the purposes for which it is used by the transferee on and after the taking effect of the transfer,

(c) the property is to be taken as belonging to the transferee in consequence of the transferee having incurred that expenditure, and

(d) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee is to be taken for the purposes of section 54 of the 1990 Act to be incurred by the giving of a consideration consisting in a capital sum of that amount.

(3) A provision mentioned in sub-paragraph (1)(d) for the determination of an amount may include provision—

(a) for a determination to be made by the Secretary of State in a manner described in the scheme,

(b) for a determination to be made by reference to factors so described or to the opinion of a person so described, and

(c) for a determination to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.

(4) The Treasury's consent is required for the making or modification of a determination under a provision mentioned in sub-paragraph (1)(d).

(5) The transferee's consent is also required for such a modification after the relevant transfer takes effect.

(6) If there is a determination or a modification of a determination under a provision mentioned in sub-paragraph (1)(d) all necessary adjustments—

(a) must be made by making assessments or by repayment or discharge of tax, and

(b) must be made despite any limitation on the time within which assessments may be made.

Capital allowances for machinery and plant: connected persons

15. For the purposes of Part II of the 1990 Act references in that Part to a transaction (however described) between connected persons within the meaning of section 839 of the 1988 Act are not to include references to a relevant transfer.

Leased assets

16.—(1) Sub-paragraphs (2) and (3) apply for the purposes of section 781 of the 1988 Act (assets leased to traders and others) if the interest of the lessor or the lessee under a lease, or any other interest in an asset, is transferred to a person under a relevant transfer.

(2) The transfer is to be treated as made without any capital sum having been obtained in respect of the interest by the transferor; and this is so despite section 783(4) of that Act.

(3) If the interest is an interest under a lease, payments made by the transferor under the lease before the transfer takes effect are to be treated as if they had been made under that lease by the transferee.

(4) Sub-paragraph (5) applies for the purposes of section 781 of the 1988 Act if a lease, or any other interest in an asset, is granted by virtue of provision made under paragraph 4 of Schedule 18.

(5) The grant is to be treated as made without any capital sum having been obtained in respect of the lease, or interest, by the grantor; and this is so despite section 783(4) of that Act.

(6) No charge is to arise under section 781(1) of the 1988 Act by virtue of section 783(2) of that Act in a case where the capital sum mentioned in section 781(1)(b)(i) or (ii) of that Act is the consideration obtained (or treated by section 783(4) of that Act as obtained) by the transferor on a disposal by virtue of a relevant transfer of securities of a subsidiary of the transferor.

(7) Expressions used in this paragraph and in sections 781 to 785 of the 1988 Act have the same meanings in this paragraph as in those sections.

Loan relationships

17.—(1) Sub-paragraph (2) applies if, as a result of a relevant transfer, the transferee replaces the transferor as a party to a loan relationship.

(2) Chapter II of Part IV of the Finance Act 1996 is to have effect in relation to any period beginning with the time the relevant transfer takes effect as if—

(a) the transferee had been a party to the loan relationship at the time the transferor became a party to the loan relationship and at all times since that time, and

(b) the loan relationship to which the transferee is a party after the time the transfer takes effect is the same loan relationship as that to which, by virtue of paragraph (a), it is treated as having been a party before that time.

(3) Expressions used in this paragraph and in Chapter II of Part IV of the Finance Act 1996 have the same meanings in this paragraph as in that Chapter.

Charge to tax under Case I of Schedule D

18.—(1) This paragraph applies for the purpose of computing the profits or losses of the transferor and the transferee under Case I of Schedule D in respect of any trade or part of a trade transferred by a relevant transfer in relation to any period beginning with the time the transfer takes effect.

(2) The trade or part of a trade transferred is to be treated as having been, at the time of its commencement and at all times since that time, a separate trade carried on by the transferee.

(3) The trade carried on by the transferee after the time the transfer takes effect is to be treated as the same trade as that which, by virtue of sub-paragraph (2), it is treated as having carried on before that time.

(4) This paragraph is subject to paragraphs 13 and 17.

PART IV

TRANSFERS TO SECRETARY OF STATE FROM SRA AND BR

Interpretation

19. In this Part of this Schedule—

"relevant transfer" means a transfer of property, rights or liabilities by virtue of—

(a) a scheme under paragraph 1 of Schedule 20 under which the property, rights or liabilities are transferred to the Secretary of State, or

(b) a scheme under paragraph 1 of Schedule 23,

"transferee", in relation to a relevant transfer, means the Secretary of State, and

"transferor", in relation to a relevant transfer, means the person from whom the property, rights or liabilities are transferred.

Chargeable gains: groups

20.—(1) Sub-paragraph (2) applies if a company ("the degrouped company")—

(a) acquired an asset from another company at any time when both were members of the same group of companies ("the old group"), and

(b) ceases by virtue of a relevant transfer to be a member of the old group.

(2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.

(3) If, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the 1992 Act (and, accordingly, of this paragraph) as ceasing to be a member of a group of companies by virtue of a relevant transfer, it is to be regarded for those purposes as so doing by virtue of the relevant transfer and not by virtue of any preparatory transactions.

(4) In this paragraph "preparatory transaction" means anything done under or by virtue of this Part of this Act for the purpose of initiating, advancing or facilitating the relevant transfer in question.

(5) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

Capital allowances: actual consideration to be the disposal value

21.—(1) Sub-paragraphs (2) to (4) apply for the purposes of Part I of the 1990 Act, and the other provisions of that Act which are relevant to that Part, if there is a disposal by virtue of a relevant transfer of the relevant interest in—

(a) an industrial building or structure, or

(b) a qualifying hotel or a commercial building or structure.

(2) The disposal is to be treated as a sale of that relevant interest.

(3) The sale moneys in respect of that sale are to be taken—

(a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or

(b) if no such capital sum is received, to be nil.

(4) Sections 157 and 158 of that Act (sales between connected persons or without change of control) are not to have effect in relation to that sale.

(5) Sub-paragraph (6) applies for determining, in the case of a disposal of machinery or plant by virtue of a relevant transfer, the amount which (in consequence of that disposal) is to be brought into account as the disposal value of that machinery or plant for the purposes of section 24 of the 1990 Act (balancing adjustments).

(6) The amount is, subject to section 26(2) and (3) of that Act (disposal value of machinery or plant not to exceed capital expenditure incurred on its provision) to be taken—

(a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or

(b) if no such capital sum is received, to be nil.

(7) Sub-paragraph (8) applies if, in consequence of a disposal by virtue of a relevant transfer, a fixture is treated by section 57(2) of the 1990 Act as ceasing to belong to a person at any time.

(8) The amount which, in consequence of that disposal, is to be brought into account as the disposal value of the fixture for the purposes of section 24 of that Act is, subject to section 26(2) and (3) of that Act, to be taken—

(a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that portion of that capital sum which falls (or, if the person to whom the disposal is made were entitled to an allowance, would fall) to be treated for the purposes of Part II of that Act as expenditure incurred by that person on the provision of the fixture, or

(b) if no such capital sum is received, to be nil.

(9) Sub-paragraphs (3), (6) and (8) have effect despite any other provision of the Capital Allowances Acts.

Leased assets

22.—(1) Sub-paragraphs (2) and (3) apply for the purposes of section 781 of the 1988 Act (assets leased to traders and others) if the interest of the lessor or the lessee under a lease, or any other interest in an asset, is transferred to a person under a relevant transfer.

(2) The transfer is to be treated as made without any capital sum having been obtained in respect of the interest by the transferor; and this is so despite section 783(4) of that Act.

(3) If the interest is an interest under a lease, payments made by the transferor under the lease before the transfer takes effect are to be treated as if they had been made under that lease by the transferee.

(4) Sub-paragraph (5) applies for the purposes of section 781 of the 1988 Act if a lease, or any other interest in an asset, is granted by the transferor by virtue of provision made under paragraph 5 of Schedule 20 or paragraph 4 of Schedule 23.

(5) The grant is to be treated as made without any capital sum having been obtained in respect of the lease, or interest, by the transferor; and this is so despite section 783(4) of that Act.

(6) No charge is to arise under section 781(1) of the 1988 Act by virtue of section 783(2) of that Act in a case where the capital sum mentioned in section 781(1)(b)(i) or (ii) of that Act is the consideration obtained (or treated by section 783(4) of that Act as obtained) by the transferor on a disposal by virtue of a relevant transfer of securities of a subsidiary of the transferor.

(7) Expressions used in this paragraph and in sections 781 to 785 of the 1988 Act have the same meanings in this paragraph as in those sections.

PART V

TRANSFERS FROM SRA TO FRANCHISE COMPANY

Interpretation

23. In this Part of this Schedule—

"relevant transfer" means a transfer of property, rights or liabilities by virtue of a scheme under paragraph 1 of Schedule 20 under which the property, rights or liabilities are transferred to a franchise company;

"transferee", in relation to a relevant transfer, means the franchise company to whom the property, rights or liabilities are transferred, and

"transferor", in relation to a relevant transfer, means the person from whom the property, rights or liabilities are transferred.

Chargeable gains: disposals not to be treated as made at market value

24.—(1) Section 17 of the 1992 Act (disposals and acquisitions treated as made at market value) is not to have effect in relation to—

(a) a disposal constituted by a relevant transfer or a disposal by virtue of provision made under paragraph 5 of Schedule 20, or

(b) the acquisition made by the person to whom the disposal is made.

(2) But sub-paragraph (1) does not apply—

(a) if the person making the disposal is connected with the person making the acquisition, or

(b) in the case of a disposal by virtue of provision made under paragraph 5 of Schedule 20, if the disposal is made by or to a person other than the transferor or the transferee.

(3) If sub-paragraph (1) applies to the disposal of an asset, the disposal is to be taken (in relation to the person making the acquisition as well as the person making the disposal) to be—

(a) in a case where consideration in money or money's worth is given by the person making the acquisition or on his behalf in respect of the vesting of the asset in him, for a consideration equal to the amount or value of that consideration, or

(b) in a case where no such consideration is given, for a consideration of nil.

Chargeable gains: groups

25.—(1) Sub-aragraph (2) applies if a company ("the degrouped company")—

(a) acquired an asset from another company at any time when both were members of the same group of companies ("the old group"), and

(b) ceases by virtue of a relevant transfer to be a member of the old group.

(2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.

(3) If sub-aragraph (2) applies to an asset, that section is to have effect on and after the first subsequent occasion on which the degrouped company ceases to be a member of a group of companies ("the new group"), otherwise than by virtue of a qualifying transfer, as if the degrouped company and the company from which it acquired the asset had been members of the new group at the time of acquisition.

(4) If, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the 1992 Act (and, accordingly, of this paragraph) as ceasing to be a member of a group of companies by virtue of a qualifying transfer, it is to be regarded for those purposes as so doing by virtue of the qualifying transfer and not by virtue of any preparatory transactions.

(5) In this paragraph "preparatory transaction" means anything done under or by virtue of this Part of this Act for the purpose of initiating, advancing or facilitating the qualifying transfer in question.

(6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

Chargeable gains: disposal of debts

26.—(1) Sub-paragraph (2) applies if in the case of a relevant transfer—

(a) a debt owed to the transferor is transferred to the transferee, and

(b) the transferor would, apart from this paragraph, be the original creditor in relation to that debt for the purposes of section 251 of the 1992 Act (disposal of debts).

(2) The 1992 Act is to have effect as if the transferee (and not the transferor) were the original creditor for those purposes.

Capital allowances: actual consideration to be the disposal value

27.—(1) Sub-paragraphs (2) to (4) apply for the purposes of Part I of the 1990 Act, and the other provisions of that Act which are relevant to that Part, if there is a disposal by virtue of a relevant transfer of the relevant interest in—

(a) an industrial building or structure, or

(b) a qualifying hotel or a commercial building or structure.

(2) The disposal is to be treated as a sale of that relevant interest.

(3) The sale moneys in respect of that sale are to be taken—

(a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or

(b) if no such capital sum is received, to be nil.

(4) Sections 157 and 158 of that Act (sales between connected persons or without change of control) are not to have effect in relation to that sale.

(5) Sub-paragraph (6) applies for determining, in the case of a disposal of machinery or plant by virtue of a relevant transfer, the amount which (in consequence of that disposal) is to be brought into account as the disposal value of that machinery or plant for the purposes of section 24 of the 1990 Act (balancing adjustments).

(6) The amount is, subject to section 26(2) and (3) of that Act (disposal value of machinery or plant not to exceed capital expenditure incurred on its provision) to be taken—

(a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or

(b) if no such capital sum is received, to be nil.

(7) Sub-paragraph (8) applies if, in consequence of a disposal by virtue of a relevant transfer, a fixture is treated by section 57(2) of the 1990 Act as ceasing to belong to a person at any time.

(8) The amount which, in consequence of that disposal, is to be brought into account as the disposal value of the fixture for the purposes of section 24 of that Act is, subject to section 26(2) and (3) of that Act, to be taken—

(a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that portion of that capital sum which

falls (or, if the person to whom the disposal is made were entitled to an allowance, would fall) to be treated for the purposes of Part II of that Act as expenditure incurred by that person on the provision of the fixture, or

(b) if no such capital sum is received, to be nil.

(9) Sub-paragraphs (3), (6) and (8) have effect despite any other provision of the Capital Allowances Acts.

Leased assets

28.—(1) Sub-paragraphs (2) and (3) apply for the purposes of section 781 of the 1988 Act (assets leased to traders and others) if the interest of the lessor or the lessee under a lease, or any other interest in an asset, is transferred to a person under a relevant transfer.

(2) The transfer is to be treated as made without any capital sum having been obtained in respect of the interest by the transferor; and this is so despite section 783(4) of that Act.

(3) If the interest is an interest under a lease, payments made by the transferor under the lease before the transfer takes effect are to be treated as if they had been made under that lease by the transferee.

(4) Sub-paragraph (5) applies for the purposes of section 781 of the 1988 Act if a lease, or any other interest in an asset, is granted by the transferor by virtue of provision made under paragraph 5 of Schedule 20.

(5) The grant is to be treated as made without any capital sum having been obtained in respect of the lease, or interest, by the transferor; and this is so despite section 783(4) of that Act.

(6) No charge is to arise under section 781(1) of the 1988 Act by virtue of section 783(2) of that Act in a case where the capital sum mentioned in section 781(1)(b)(i) or (ii) of that Act is the consideration obtained (or treated by section 783(4) of that Act as obtained) by the transferor on a disposal by virtue of a relevant transfer of securities of a subsidiary of the transferor.

(7) Expressions used in this paragraph and in sections 781 to 785 of the 1988 Act have the same meanings in this paragraph as in those sections.

Loan relationships

29.—(1) Sub-paragraph (2) applies if, as a result of a relevant transfer, the transferee replaces the transferor as a party to a loan relationship.

(2) Chapter II of Part IV of the Finance Act 1996 is to have effect in relation to any period beginning with the time the relevant transfer takes effect as if—

(a) the transferee had been a party to the loan relationship at the time the transferor became a party to the loan relationship and at all times since that time, and

(b) the loan relationship to which the transferee is a party after the time the transfer takes effect is the same loan relationship as that to which, by virtue of paragraph (a), it is treated as having been a party before that time.

(3) Expressions used in this paragraph and in Chapter II of Part IV of the Finance Act 1996 have the same meanings in this paragraph as in that Chapter.

PART VI

TRANSFERS OF FRANCHISE ASSETS

Interpretation

30. In this Part of this Schedule—

"relevant transfer" means a transfer of property, rights or liabilities by virtue of a scheme under paragraph 2 of Schedule 20 under which the property, rights or liabilities are transferred from a person which is, or has been, a franchise company,

"transferee", in relation to a relevant transfer, means the person to whom the property, rights or liabilities are transferred, and

"transferor", in relation to a relevant transfer, means the person from whom the property, rights or liabilities are transferred.

Chargeable gains: disposals not to be treated as made at market value

31.—(1) Section 17 of the 1992 Act (disposals and acquisitions treated as made at market value) is not to have effect in relation to—

(a) a disposal constituted by a relevant transfer or a disposal by virtue of provision made under paragraph 5 of Schedule 20, or

(b) the acquisition made by the person to whom the disposal is made.

(2) But sub-paragraph (1) does not apply—

(a) if the person making the disposal is connected with the person making the acquisition, or

(b) in the case of a disposal by virtue of provision made under paragraph 5 of Schedule 20, if the disposal is made by or to a person other than the transferor or the transferee.

(3) If sub-paragraph (1) applies to the disposal of an asset, the disposal is to be taken (in relation to the person making the acquisition as well as the person making the disposal) to be—

(a) in a case where consideration in money or money's worth is given by the person making the acquisition or on his behalf in respect of the vesting of the asset in him, for a consideration equal to the amount or value of that consideration, or

(b) in a case where no such consideration is given, for a consideration of nil.

Chargeable gains: groups

32.—(1) Sub-paragraph (2) applies if a company ("the degrouped company")—

(a) acquired an asset from another company at any time when both were members of the same group of companies ("the old group"), and

(b) ceases by virtue of a relevant transfer to be a member of the old group.

(2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.

(3) If sub-paragraph (2) applies to an asset, that section is to have effect on and after the first subsequent occasion on which the degrouped company ceases to be a member of a group of companies ("the new group"), otherwise than by virtue of a qualifying transfer, as if the degrouped company and the company from which it acquired the asset had been members of the new group at the time of acquisition.

(4) If, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the 1992 Act (and, accordingly, of this paragraph) as ceasing to be a member of a group of companies by virtue of a qualifying transfer, it is to be regarded for those purposes as so doing by virtue of the qualifying transfer and not by virtue of any preparatory transactions.

(5) In this paragraph "preparatory transaction" means anything done under or by virtue of this Part of this Act for the purpose of initiating, advancing or facilitating the qualifying transfer in question.

(6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

Chargeable gains: disposal of debts

33.—(1) Sub-paragraph (2) applies if in the case of a relevant transfer—

(a) a debt owed to the transferor is transferred to the transferee, and

(b) the transferor would, apart from this paragraph, be the original creditor in relation to that debt for the purposes of section 251 of the 1992 Act (disposal of debts).

(2) The 1992 Act is to have effect as if the transferee (and not the transferor) were the original creditor for those purposes.

Capital allowances: actual consideration to be the disposal value

34.—(1) Sub-paragraphs (2) to (5) apply for the purposes of Part I of the 1990 Act, and the other provisions of that Act which are relevant to that Part, if there is a disposal by virtue of a relevant transfer of the relevant interest in—

(a) an industrial building or structure, or

(b) a qualifying hotel or a commercial building or structure.

(2) The disposal is to be treated as a sale of that relevant interest.

(3) The sale moneys in respect of that sale are to be taken—

(a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or

(b) if no such capital sum is received, to be nil.

(4) The sale moneys in respect of that sale are to be taken, as respects the transferee only, to include in addition an amount equal to any capital sum received by a person other than the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal.

(5) Sections 157 and 158 of that Act (sales between connected persons or without change of control) are not to have effect in relation to that sale.

(6) Sub-paragraph (7) applies for determining, in the case of a disposal of machinery or plant by virtue of a relevant transfer, the amount which (in consequence of that disposal) is to be brought into account as the disposal value of that machinery or plant for the purposes of section 24 of the 1990 Act (balancing adjustments).

(7) The amount is, subject to section 26(2) and (3) of that Act (disposal value of machinery or plant not to exceed capital expenditure incurred on its provision) to be taken—

(a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or

(b) if no such capital sum is received, to be nil.

(8) Sub-paragraph (9) applies if, in consequence of a disposal by virtue of a relevant transfer, a fixture is treated by section 57(2) of the 1990 Act as ceasing to belong to a person at any time.

(9) The amount which, in consequence of that disposal, is to be brought into account as the disposal value of the fixture for the purposes of section 24 of that Act is, subject to section 26(2) and (3) of that Act, to be taken—

(a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that portion of that capital sum which falls (or, if the person to whom the disposal is made were entitled to an allowance, would fall) to be treated for the purposes of Part II of that Act as expenditure incurred by that person on the provision of the fixture, or

(b) if no such capital sum is received, to be nil.

(10) Sub-paragraphs (3), (4), (7) and (9) have effect despite any other provision of the Capital Allowances Acts.

Loan relationships

35.—(1) Paragraph 11 of Schedule 9 to the Finance Act 1996 is not to have effect in a case where, as a result of a relevant transfer, the transferee replaces the transferor as a party to a loan relationship.

(2) Expressions used in this paragraph and in Chapter II of Part IV of the Finance Act 1996 have the same meanings in this paragraph as in that Chapter.

PART VII

OTHER PROVISIONS CONCERNING TRANSFERS

Chargeable gains: value shifting

36. Nothing in this Part of this Act and nothing done under it is to be regarded as a scheme or arrangement for the purposes of section 30 of the 1992 Act (tax-free benefits).

Chargeable gains: consequential amendment

37. In section 35(3)(d) of the 1992 Act (list of provisions for transfers treated as made without gain or loss), after sub-paragraph (xiii) (inserted by paragraph 2(3) of Schedule 7 to this Act) insert—

"(xiv) paragraphs 3 and 9 of Schedule (*Transfers Tax*) to the Transport Act 2000".

Group relief

38. The existence of the powers of the Secretary of State or the Authority under this Part of this Act is not to be regarded (and nothing else in that Part is to be regarded) as—

(a) constituting arrangements falling within section 410(1) or (2) of the 1988 Act (arrangements for transfer of company to another group or consortium), or

(b) constituting option arrangements for the purposes of paragraph 5B of Schedule 18 to the 1988 Act.

Modifications of transfer schemes

39.—(1) Sub-paragraph (2) applies if—

(a) the effect of a scheme under paragraph 1 of Schedule 14, paragraph 31 of Schedule 16, paragraph 1 of Schedule 18 or paragraph 1 of Schedule 23 is modified by an order made by the Secretary of State, or

(b) the effect of a scheme under paragraph 1 of Schedule 20 under which the property, rights or liabilities are transferred to the Secretary of State or a franchise company is modified by an agreement made under paragraph 15 of that Schedule.

(2) The Corporation Tax Acts (including this Schedule) are to have effect as if—

(a) the scheme had been made as modified, and

(b) anything done by or in relation to the preceding holder had (so far as relating to the property, rights or liabilities affected by the modification) been done by or in relation to the subsequent holder.

(3) For the purposes of sub-paragraph (2) the preceding holder is the person who without the modification—

(a) became (under the scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification, or

(b) remained (despite the scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification,

as the case may be.

(4) For the purposes of sub-paragraph (2) the subsequent holder is the person who (in consequence of the modification) becomes, or resumes being, entitled or subject to the property, rights or liabilities affected by the modification.

Stamp duty and stamp duty reserve tax

40.—(1) Stamp duty is not to be chargeable on—

(a) a scheme under paragraph 1 of Schedule 14, paragraph 31 of Schedule 16 or paragraph 1 of Schedule 18, 20 or 23, or

(b) an instrument or agreement which is certified to the Commissioners of Inland Revenue by the Secretary of State as made in pursuance of such a scheme.

(2) No such scheme, and no instrument or agreement which is certified as mentioned in sub-paragraph (1)(b), is to be taken to be duly stamped unless—

(a) it has, in accordance with section 12 of the Stamp Act 1891, been stamped with a particular stamp denoting that it is not chargeable with that duty or that it is duly stamped, or

(b) it is stamped with the duty to which it would be liable, apart from this paragraph.

(3) Section 12 of the Finance Act 1895 is not to operate to require—

(a) the delivery to the Inland Revenue of a copy of this Act, or

(b) the payment of stamp duty under that section on any copy of this Act,

and is not to apply in relation to an instrument on which, by virtue of sub-paragraph (1), stamp duty is not chargeable.

(4) An agreement to transfer chargeable securities, as defined in section 99 of the Finance Act 1986, to a person specified in sub-paragraph (2)(a) to (c) of paragraph 1 of Schedule 20 is not to give rise to a charge to stamp duty reserve tax if the agreement is made for the purposes of, or for purposes connected with, a scheme under that paragraph.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

Clause 232

COMMENCEMENT

Amendments made: No. 330, in page 138, line 11, at end insert—

'(4) Section *(Review of access charges by Regulator)* (and Schedule *(Review of access charges by Regulator)*) and section 225 (and Schedule 25) come into force on the day on which this Act is passed.'.

No. 331, in page 138, line 11, at end insert—

'(5) In section *(Amendments of pension protection provisions)*, subsections (1) and (3) to (5), and subsections (2) and (8) so far as relating to subsections (3) to (5), shall be treated as having come into force on 10th May 2000.'.—*[Mr. Robert Ainsworth.]*

Clause 236

EXTENT

Amendment made: No. 122, in page 139, line 12, after second "Parts" insert—

'and section *(Vehicles subject to regulation as private hire vehicles)*'.—*[Mr. Robert Ainsworth.]*

Amendment made: No. 418, in page 139, line 12, after second "Parts", insert—

'and section *(School crossing patrols)*'.—*[Mr. Michael J. Foster.]*

Amendment made: No. 332, in page 139, line 19, leave out "Section 218 extends" and insert—

'Sections 218 and *(Taxation of transfers)*, paragraph 13A of Schedule 13 and Schedule *(Transfers: Tax)* extend'.—*[Mr. Robert Ainsworth.]*

Schedule 27

REPEALS AND REVOCATIONS

Amendments made: No. 280, in page 267, column 3, leave out line 34.

No. 281, in page 267, line 54, at end insert—

'1966 c. 28.	Docks and Harbours Act 1966.	Section 47.'.

No. 282, in page 269, line 43, at end insert—

'1981 c. 56.	Transport Act 1981.	In Schedule 4, paragraph 1(3).'.

No. 283, in page 269, line 51 column 3, leave out "39(1)" and insert "39".

No. 284, in page 269, line 52, at end insert—

	'Section 41.
	Section 42.'.

No. 333, in page 270, line 39, column 3, at end insert—

'In section 13(7), the words "the Secretary of State and".'.

No. 285, in page 275, column 3, leave out lines 22 and 23.

No. 334, in page 275, line 25, column 3, at end insert—

'in paragraph 10(6)(b), the words "of the Board" (in both places), and

in paragraph 11(10), in the definition of "relevant employer", the word "or" at the end of paragraph (b) and, in paragraph (c), the words ", other than a company which is wholly owned by the Franchising Director".'.

No. 335, in page 275, line 28, at end insert—

'S.I. 1994/1432.	Railway Pensions (Protection and Designation of Schemes) Order 1994.	In article 9(2), the words ", except to the extent specified in paragraph (3)," and the word "relevant" (in both places). Article 13. Article 14.'.

No. 286, in page 276, line 31, at end insert—

'2000 c. 00.	Freedom of Information Act 2000.	In Schedule 1, in Part VI, the entry relating to the British Railways Board.'.

No. 123, in page 276, line 31, at end insert—

'PART V

MISCELLANEOUS

1985 c. 67.	Transport Act 1985.	In Schedule 7, paragraph 21(10).'.

—*[Mr. Robert Ainsworth.]*

Order for Third Reading read.—*[Queen's Consent, on behalf of the Crown, signified.]*

9.11 pm

Mr. Raynsford: I beg to move, That the Bill be now read the Third time.

First, I am sure that I speak on behalf of the whole House in thanking all those hon. Members who served on the Standing Committee which considered this important Bill. Their efforts over a long period, from mid-January to early April, and again in the past 48 hours, have provided the House with the opportunity to consider on Report a Bill that has received very careful and detailed scrutiny. I pay special tribute to the hon. Member for North Thanet (Mr. Gale), who chaired the proceedings of the Standing Committee in an exceptionally able way.

[Mr. Raynsford]

The Transport Bill is an historic piece of legislation which will be seen as a landmark in transport policy for years to come. It is all about improving this country's transport system. The Bill takes a comprehensive, integrated approach to transport and puts in place new and effective measures to tackle problems, local and national. It will go a long way to reversing the past years of decline, and will help all concerned to work together to give Britain a transport system fit for the demands of the 21st century, and one of which we can be proud.

Dr. Norman A. Godman (Greenock and Inverclyde): I take this opportunity to thank Ministers for responding so positively to the concerns that I raised about the Strathclyde passenger transport authority. I refer in particular to clauses 185 and 217. There is still a problem where Scottish Ministers and the Strategic Rail Authority are concerned, but I should like to write to the Minister about it. In the meantime, I offer my thanks to him and his colleagues.

Mr. Raynsford: I am very grateful for my hon. Friend's comments. Of course we will consider carefully any further representations that he makes.

Our proposals to establish a public-private partnership for National Air Traffic Services have not been entirely free from controversy. However, I believe that the whole House agrees that change is essential if our air traffic control system is to continue to meet ever-increasing demands on our airspace without prejudicing safety.

The operational capability of NATS is recognised as world class; the service already manages some of the world's most congested airspace. The number of flights that NATS handles continues to increase each year, however, and the public-private partnership is essential to bring in the funding and investment, as well as the project management skills, necessary to allow NATS to manage the increased volumes and densities safely and effectively.

We believe that the public-private partnership will provide the United Kingdom with the world's best air traffic services in terms of safety, efficiency and capacity to meet increasing demand. Safety, quite rightly, is at the front of everyone's minds. As my right hon. Friend the Deputy Prime Minister emphasised yesterday, there is no question of safety being compromised under the PPP. As he stressed, safety and national security are subject to fundamental and emphatic safeguards.

The PPP will free NATS' investment and management decisions from Government financing constraints, and introduce new funding and new project and financial management skills to deliver significant improvements to UK air traffic services. For these reasons, we believe that this innovative PPP is the best possible option for NATS, for the country and for airline users.

The Bill is also about providing better local transport, particularly buses. The Bill gives local authorities important new powers and duties.

Mr. Bill Rammell (Harlow): Like other Members, I have consistently pressed Ministers on the O-licence operator anomaly, which is that such drivers are not given medical and police checks by local authorities. Will the Minister confirm that new clause 2 deals with that anomaly?

Mr. Raynsford: I am pleased to give my hon. Friend that assurance, and I congratulate him on his important role in campaigning for that change.

Local authorities will have important new powers and duties. They will be required to draw up local transport plans that examine all aspects of transport in their areas. They must also prepare a bus strategy. The Bill contains new powers on bus quality partnerships, quality contracts, integrated ticketing and timetable information. Those measures will help to give passengers a quality bus service that is reliable and easy to use. We are also fulfilling our pledge to make sure that local authorities give pensioners a cheap bus fare scheme that is at least as generous as half-fare, with a free bus pass.

We are determined to tackle the problems of road congestion and pollution, which are the scourge of so many of our towns. The Bill gives local authorities powers to introduce road user charging or a levy on parking at the workplace. Those powers are already available to London's mayor and boroughs.

Every penny of the net revenues raised from new charges will be retained locally and ring-fenced for at least 10 years for spending on improvements to local transport. Local authorities will also be able to ask the Secretary of State or the National Assembly for Wales to introduce charges on trunk roads, if that would complement their own schemes. The Secretary of State and the Assembly will also be able to charge on large trunk road bridges and tunnels of at least 600 m where that will help to achieve integrated transport objectives or allow expensive structures to be built. Revenues from those charges will also be dedicated to spending on transport for at least 10 years.

The Bill establishes the Strategic Rail Authority and provides for more effective regulation of the railway industry. The SRA will put railways at the centre of an integrated transport system, with proper public accountability and investment, and that puts the passenger's interest at the top of the agenda. The SRA's mission will be to promote use and development of the rail network, and to contribute to the development of an integrated transport system. It will give the industry the long-term strategic focus to plan for growth. The shadow SRA has already set to work on strategic planning. The Bill plugs the loopholes in the previous Government's shambolic rail legislation and provides tougher enforcement powers to protect the passenger.

The Government believe that Britain's stability and steady growth cannot be sustained without a safe, modern and efficient transport system. Our plans for transport are ambitious but straightforward: we intend to transform our transport system to make it rival any in Europe, and no one should doubt that commitment.

We have put in place the right policy framework. The Bill will provide the necessary powers, and investment is coming on-stream. Private investment by the rail industry has doubled since 1996-97. Some 1,300 extra services are being run daily to meet demand. Bus quality partnerships in 130 towns and cities are increasing bus usage by 10 to 20 per cent. Our new statutory provisions will make it possible to build on those successes. Bus industry

investment has doubled and is running at £380 million a year. Again, our measures will help ensure that that trend continues.

An extra £280 million for transport spending this year was announced in the Budget, and in the summer my right hon. Friend the Secretary of State for the Environment, Transport and the Regions and my right hon. and noble Friend the Minister for Transport will publish a 10-year transport plan. The plan will set out the transport outcomes that we want to see over the next 10 years, together with the investment strategy for both the public and private sectors that is needed to deliver them.

The House tonight completes its consideration of an historic Bill that will play a crucial role in ensuring that the United Kingdom has the safe, modern, effective integrated transport system that it needs and deserves. I commend the Bill to the House.

9.19 pm

Mr. Jenkin: The Minister asked us not to doubt the Government's commitment to improving the transport infrastructure, but we do. We have seen the Deputy Prime Minister and even the Prime Minister trotting round the country to celebrate the opening of great Tory transport projects, such as the Heathrow Express, the Croydon tramlink and the Jubilee line extension. Those were the projects that we commenced and initiated.

Let us consider the commitment of this Government and their spending figures. In a Tory year, 1994-95, we were committed to spending £8.5 billion on transport. In the present year, the Government are spending less than £6 billion on transport, despite the punitive new levels of taxation that they have imposed on motorists.

Every transport line of expenditure has been cut. In the Tory year I cited, we were spending £1.2 billion on trunk road and motorway improvements; this Government are spending a mere £305 million. On local transport grants and credit approvals, we were spending £1.3 billion; this Government are spending barely £1 billion. We were spending £906 million on London Transport; this Government are spending a mere £251 million. On highways maintenance—the top priority of this Government—we spent £3.3 billion in 1994-95. The Government, with all the extra taxation that they are raising, are spending less than £3 billion. That underlines the scale of the Government's miserable commitment to improving the transport infrastructure.

As we near the end of our proceedings on the Bill, I must record my thanks to my hon. Friend the Member for North Thanet (Mr. Gale), the Chairman of the Standing Committee, and to his fellow Chairman, the hon. Member for Bootle (Mr. Benton)—and also my thanks for the inexhaustible patience of the Clerks and officials in the Box and the good humour of the Standing Committee in general.

My particular thanks go to my small but hard-working band of hon. Friends, because ours has been an arduous task. We brought the Bill to the House with 237 clauses, 27 schedules and 276 pages. In the past two days, we have added a small telephone directory of Government amendments and new clauses. That underlines the fundamental shambles that is this Bill. It has been substantially rewritten during its passage.

The Bill contains some good clauses—[HON. MEMBERS: "Name them."]—such as, the clauses that were inspired by my hon. Friend the Member for Epping Forest Mrs. Laing) on the impounding of vehicles. However, despite such extensive redrafting, it remains a bad Bill—and a bad Bill that is made worse by the fact that, in essence, it is four Bills rolled into one. It reflects the Government's mud-pie political philosophy.

The transfer of National Air Traffic Services to the private sector was rightly dubbed by my right hon. Friend the Member for Wokingham (Mr. Redwood) as a punk privatisation. We support the separation of regulation and operation, but the Government's public-private partnership was rightly described in the report on NATS by the Environment, Transport and Regional Affairs Committee as the worst of all possible options.

Far from being some great innovation, the introduction of local transport plans is merely the extension of state bureaucracy to local authorities. It will require large volumes of guidance and ever larger volumes of local authority transport plans. Local authorities will be mired in ever more compulsory bureaucratisation and centralisation, because local transport plans have to fit the bill laid down by the Secretary of State. If they do not do so, he will not give them his support. That is centralisation and that is why the Labour chairman of the Local Government Association has complained about the "silent and strange death" of local government.

Another part of the Bill deals with re-regulation of the bus industry, whose investment record and expansion in its privatised and deregulated form the Minister was celebrating a few moments ago. The Government are now re-regulating that industry. We support the principle of quality partnerships, but we fail to see what quality contracts will bring to the bus industry. Indeed, the conflict between the regulation of quality contracts and the competition legislation is a complete mess.

Then we have the introduction of yet further taxes on the motorist: congestion taxes and parking taxes—a tax on business. As if it were not enough that the Government are taxing the motorist £36 billion in the current financial year, so that £1 in every £7 that the Government now spend is raised from the motorist, they are insisting on carrying through this vendetta against the motorist.

There is some evidence that the Government realise that their policy is somewhat unpopular. That is why, when the hon. Member for Brent, East (Mr. Livingstone), during his mayoral campaign, said,

> I am determined that congestion charging will come in by August 2001,

the right hon. Member for Holborn and St. Pancras (Mr. Dobson) responded, in his manifesto:

> I will not impose congestion charges in my first term.

The Government are trying to kick the policy into the long grass before and after the general election, but we now know that the new deputy mayor of London, Nicky Gavron, has openly defied the Prime Minister, who assured the House today that Labour Members of the London Assembly would honour their election pledges. Speaking on BBC News 24 this afternoon, Nicky Gavron said that congestion charges were "in principle" possible in the first term of the administration in London, and that it was only a matter of technicality. She refused to retract her comments when pressed over the Prime Minister's earlier commitment. In her own personal manifesto, she stated:

> I will renew our tube system by 2010 . . . and oppose congestion charges—

[Mr. Jenkin]

[Interruption.] Well, I wrote the press release—

until the tube has been improved.

That was the manifesto commitment given by the right hon. Member for Holborn and St. Pancras.

That open defiance of the Prime Minister this afternoon—just hours after he gave that assurance to the House of Commons—is a humiliation; it shows that although the hon. Member for Brent, East may not be a member of the Labour party, he is taking over the Labour party in London.

The final part of the Bill is old Labour striking back at railway privatisation. There is a role for Sir Alastair Morton in helping the industry to develop, but not for the rebirth of the old British Railways Board; not for whole new powers to direct investment; not for new powers for unlimited fines; not for powers for the interference in access agreements; and not for the restoration of the ultimate control over the industry, once again, by the Secretary of State—the Fat Controller himself.

The Bill is founded on a fundamental misapprehension: the principle that the man in Whitehall knows best. The British people know that the current man in Whitehall has done nothing to contribute to the transport of this country. The Labour party's policy is discredited; it is all spin and no delivery, as evidenced by the Government's miserable commitments on spending.

The Bill is privatisation by stealth, centralisation by stealth, re-regulation by stealth and taxation by stealth, and it is renationalisation of the railways by the back door.

Labour's transport policy is fundamentally more taxation. The Bill does nothing to address the crisis in standstill Britain that Labour is creating.

9.28 pm

Mr. Don Foster: I add my voice to the thanks that have already been justifiably given to so many people who have been involved in the deliberations on the Bill so far.

I have been involved—as has my colleague, my hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore)—in nearly 110 hours of deliberations on the Bill. I have had more than enough opportunity to say what I believe about the Bill. To summarise, there are many good things in it, but, sadly, the beginning of the Bill provides for the part privatisation of National Air Traffic Services, with which we fundamentally disagree. For that reason, we shall vote against the Bill on Third Reading.

9.29 pm

Mr. Snape: The series of sittings on the Bill has been strange and protracted. Let me start back in January. The hon. Member for North Essex (Mr. Jenkin) ambled into the Committee Room on the first day and said that he was going to—I paraphrase him—"fight the Bill tooth and nail". He said that the Bill was bare-faced effrontery. He said, "It is a flagship of the Labour Government and we are determined to oppose it". What in fact was bare-faced was the hon. Gentleman's effrontery in actually turning up and saying that, because that was the last we saw of him. The hon. Gentleman made the claim that the Bill has 230 clauses. I have counted them and he has missed some. If that represents a bare-knuckle fight even by his fairly elastic standard, no wonder the Tory party is on its knees.

It is a pleasure to follow the speech of the hon. Member for Bath (Mr. Foster), who provided some opposition in Committee. One could not say that about the Tories. In fact, two of them—the hon. Members for North Wiltshire (Mr. Gray) and for Aldershot (Mr. Howarth)—have demonstrated their consistency tonight. They missed most sittings of the Committee, and they are missing the Bill's Third Reading.

The Conservative Opposition said that they were going to fight the Bill tooth and nail. Judging by the performance that they have put up so far, they have neither the teeth nor the nails to fight it with.

Mr. Jenkin: Will the hon. Gentleman give way?

Mr. Snape: The hon. Gentleman must be joking. I have not seen him for months, so I am not going to give way to him now.

I compliment my right hon. and hon. Friends on the Front Bench for the way in which they have handled the opposition of the Liberal Democrats, whom I commend for providing it.

The Labour party has been talking about integration for many years. I remember voting for integration in the 1960s, at the first party conference that I attended. I am not sure whether we defined the term particularly well then or have done so since, but the Bill will achieve for the first time the integration of transport that the country so badly needs.

With or without the opposition of Conservative Members—it has largely been without it—I commend the Bill to the House. What the Government are trying to do is essential if we are to have the sort of transport system and the alleviation of congestion about which we have long talked. It is a pity that the hon. Member for North Essex has proved himself, once again, to be like so many of the occupants of the Tory Front Bench—all mouth and no trousers.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 304, Noes 159.

Division No. 193] **[9.32 pm**

AYES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Cann, Jamie
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*

Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Corbett, Robin
Corston, Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Donohoe, Brian H
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
George, Bruce *(Walsall S)*
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ilsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Rt Hon Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNamara, Kevin
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Rt Hon Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Shipley, Ms Debra
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vaz, Keith
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Don Touhig and
Mr. Gerry Sutcliffe.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Jackie
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burstow, Paul
Butterfill, John
Cable, Dr Vincent
Cash, William
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*

Clifton–Brown, Geoffrey
Collins, Tim
Cotter, Brian
Cran, James
Davey, Edward *(Kingston)*
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Lait, Mrs Jacqui
Lansley, Andrew
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
MacGregor, Rt Hon John
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Portillo, Rt Hon Michael
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Webb, Steve
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Wilkinson, John
Willetts, David
Willis, Phil
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim

Tellers for the Noes:
Mr. Stephen Day and
Mrs. Eleanor Laing.

Question accordingly agreed to.

Bill read the Third time, and passed.

Cancer Services

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

9.49 pm

Mr. Eric Illsley (Barnsley, Central): I am grateful for having secured the Adjournment debate this evening, especially as it has begun at such a reasonable hour. I am less happy about the subject that I intend to raise with the Minister of State, Department of Health, my hon. Friend the Member for Southampton, Itchen (Mr. Denham), whom I welcome back to the Dispatch Box after his visit to the Trent regional health authority this morning. I hope that his visit was productive and that he promised lots more money for that health authority.

Once again, I am raising issues of health care in my locality, specifically in the Trent region. I want to consider the failure of a succession of doctors and consultants to detect cancer in an individual until it was so far advanced that treatment will prove especially difficult.

The type of cancer is mouth cancer, which is a particularly unfortunate form. The tumour from which my constituent suffers was so large when it was diagnosed in March that he was advised that it was inoperable without the risk of losing his tongue, larynx and voice box, and thus the power of speech. If the diagnosis had not been delayed, my constituent could have had an operation much earlier. Such treatment could have been successful. I hope that he will still be able to have an operation if the current treatment is successful.

My constituent, Steven Harley, is a 41-year-old business man. He is also a personal friend; that makes the case all the more difficult. I shall explain the case in a nutshell. Mr. Harley developed throat pains, which became increasingly severe, last July. Nineteen medical examinations by 11 different doctors did not lead to a diagnosis of those throat pains as a form of mouth cancer.

Mr. Harley visited his general practitioner to complain of a sore throat. In the following 10 weeks, he saw his GP six or seven times. He had blood tests and courses of antibiotics. He was told that he was probably suffering from a virus and that he would simply have to sit it out. At that time, there was no suggestion of referral to an ear, nose and throat specialist or any offer of an MRI scan, which might have picked up the tumour. Mr. Harley suffered 10 weeks of persistent pain.

I accept that GPs cannot be expected to diagnose special types of cancer. Indeed, many GPs go through their medical careers without seeing, or dealing with, particular types of cancer. I do not therefore claim that a GP should have been able to tell Mr. Harley immediately, "Yes, it's cancer. Here's the treatment. Off you go." However, Mr. Harley asked his GP more than once, "Could this pain be a form of cancer?" He was repeatedly told that it was not. If a GP is sufficiently qualified to dismiss unequivocally an inquiry about whether a condition is cancer, he should be aware of the other side of the coin. How does he know that a condition is not cancer? If the signs exist, would he recognise them? If not, how can he simply deny that a condition is cancer? He cannot do that without knowledge about, or expertise in, cancer.

Mr. Harley has private medical insurance, which enabled him to arrange to see a specialist. He saw the specialist three times in four weeks. After those

consultations, he was told that nothing had been found and nothing could be done. Even that specialist did not even consider a scan or a referral to another specialist or anyone else. Incidentally, had Mr. Harley wanted to take advantage of an ear, nose and throat surgeon at Barnsley, he would have been unlucky. Of the two places for ENT surgeons that Barnsley had at that time, there was one vacancy. One of the surgeons had left and the other one was off sick. He would not have been able to see an ENT surgeon at Barnsley if he had wanted to do so. Even now, ENT surgery on people in Barnsley is carried out at Rotherham district general hospital. There is a locum in place at Barnsley throughout the week, but if anyone in the area has an ear, nose and throat problem between 5.30 pm on Friday and 9.30 am on Monday, he or she has to go to Rotherham. I am not happy with that.

At this stage, Mr. Harley's pain was increasing severely. It was spreading in his mouth, jaw and neck. He felt that he had to visit Barnsley district general hospital one Saturday night to ask for pain killers. He presented himself at the casualty department to ask for them so that he might have help in sleeping. He did that on several occasions. He once more returned to his general practitioner, and again he was dismissed by the practice. Through his insurance, he arranged to see privately an orthopaedic surgeon in December, thinking that something orthopaedic could be wrong with him. He was told by that surgeon that there was nothing wrong and that nothing could be done for him.

By millennium eve, or new year's eve, Mr. Harley was in so much pain that he went once again to the casualty department of Barnsley district general hospital. He described his symptoms to a junior doctor. He asked for help and particularly for pain killers because the pain was so intense. The junior doctor prescribed pain killers and sent him home.

The pain was so bad that Mr. Harley presented himself again on millennium day, or new year's day. He asked for stronger pain killers. He told the doctor that the pain killers that he had been given the previous evening were not giving him any respite and that he needed something stronger. He was then seen by a senior doctor, who took his blood pressure. He refused to give him any stronger pain killers and laughed at the idea that the pain killers that he had already been given were not sufficient to do the job. He then took Mr. Harley on one side, put his arm round his shoulder and said, "Look, if I were your brother I would tell you to forget about this, to go home and live your life." That was the attitude of the doctors at Barnsley district general hospital—go home and get a life.

I find that incredible. No one would go to a hospital on new year's eve or new year's day over the millennium period unless he or she had a real problem. However, a doctor was dismissing Mr. Harley out of hand. There were three things wrong with that doctor's approach. First, he failed absolutely to diagnose anything wrong with Mr. Harley. He refused to acknowledge that there was any possibility that he could be suffering from any sort of disease, let alone cancer.

Secondly, he would not believe the extent of the patient's pain and accordingly did not prescribe a pain killer. Thirdly, he did not refer him elsewhere so that he might get some relief. He then took Mr. Harley on one side and told him that he was imagining things, that there was nothing wrong with him and that if he went away and forgot about it, everything would be all right.

I am concerned that my constituents are being treated by a doctor with such an attitude. It is bad enough that South Yorkshire, Barnsley and the Trent region have so many problems as a consequence of the health authority's poor funding and that there has been poor performance over previous years, without having to deal with the attitude of the medical profession in certain circumstances.

Is the training and education of our doctors so bad as to produce such a response when one of my constituents presents himself in pain during a bank holiday period? Have we reached the stage when a doctor takes a person on one side and says, in effect, that he does not believe him?

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Question again proposed, That this House do now adjourn.—*[Mr. Betts.]*

Mr. Illsley: Is knowledge of cancer really so poor in our health service? Should we believe that none of the 11 different doctors—from GPs to specialists and consultants—who were consulted on 19 occasions could not put a finger on the problem and say, "I think that this could be cancerous. I must refer you for a scan or to a specialist oncologist who knows about this condition."?

The catalogue of errors involving Mr. Harley continued. In January, he arranged another private consultation with another consultant. He had an MRI scan, but was told that nothing could be done. That MRI scan took place seven months after he had first complained about his symptoms. The specialist he saw prescribed pain-killers and gave him a return appointment. That appointment took place on 1 March this year, by which time Mr. Harley had lost two stone and had difficulty eating or speaking because of the size of the tumour, which was swelling in the back of his tongue.

That specialist referred him to an ENT surgeon in the same hospital because, at last, they had diagnosed that his problem could be mouth or throat cancer. Those were private consultations, but at least his condition was diagnosed. Unfortunately, he was told that the tumour had become too large, so he could not undergo surgery immediately. He was told that he might require operative treatment if chemotherapy and radiotherapy could not shrink the tumour. He was also told of the threat of losing his tongue, voice box or larynx.

Mr. Harley is undergoing chemotherapy and, I think, radiotherapy to try to shrink the tumour. My family and I—and, I am sure, the House—wish him well and hope that his treatment will enable operative treatment to be carried out successfully. However, during nine months, a man who had private medical insurance under which he could arrange private consultations quickly and at short notice underwent 19 examinations by 11 doctors. What would have happened to someone who was simply an NHS patient in those circumstances? I fear that that cancer would have gone undiagnosed for far longer.

Mr. Harley tells me that, when he was diagnosed with mouth cancer, he contacted Cancer Bacup, one of the cancer charities in this country, which sent him a leaflet about mouth and throat cancers. When he read about the symptoms, he realised that he had been suffering from every one. He had presented himself to doctors while suffering from the symptoms listed in the leaflet,

[Mr. Illsley]

but 11 doctors could not equate them with cancer, while the charity could do so. If Mr. Harley's condition had been detected earlier, it could have been treated far more easily. Why was he not believed when he presented himself in such pain? Why was he not listened to? Why did none of the doctors think that he could have cancer? Why were they so sure that he was wrong and they were right? I sincerely hope that the various health authorities involved will take a good long look at themselves and ask whether what happened was good enough. The Government should consider the issue nationally and especially in the Trent region, where underfunding is always a problem. I am becoming a little tired of complaining in the Chamber about the poor health service that my constituents receive, and we now have another problem to add to all the rest that I have raised.

I should like to touch on a connected issue concerning the availability of cancer drugs, especially taxanes. There are various derivatives of that type of drug, but they are generally known as taxanes. I should like to place on record my thanks to Hugh McKinney of the campaign for effective and rational treatment, whom I met today to discuss this issue. As my hon. Friend the Minister knows, there are real concerns that such drugs are not available on the NHS. I have been told this evening that they are likely to be available only to private patients, and that NHS patients will not have access to them. That is of real concern to me because the vast majority of patients in my constituency are NHS patients and will be denied access to those drugs.

I am also told that the availability of those drugs will depend on the type of cancer, and that we are likely to move from postcode prescribing to tumour-type prescribing. Whether the drug will be available will depend on the type of cancer. Even with the 6.8 per cent. much welcomed uplift in cash funding for the NHS, there will still be a problem of funding for these drugs.

This case has been a nightmare for my constituent, and he is still living it. He has been ignored, insulted and left to organise his own health care. I hope that he now gets the proper treatment that he deserves, and that my area gets a better health service than it has at present.

10.7 pm

The Minister of State, Department of Health (Mr. John Denham): I congratulate my hon. Friend the Member for Barnsley, Central (Mr. Illsley) on obtaining this debate. He has made a compelling and moving speech on behalf of his constituent, Mr. Harley. My sympathy and that of the House goes to him for his predicament, and we send our best wishes for his future treatment, which we hope will be a success.

My hon. Friend mentioned the fact that I visited the Trent region earlier today. It is one of those ironic coincidences that I was visiting the Jasmine centre at the Doncaster royal infirmary, which is a specialist breast cancer clinic. It is a national leader in patient-centred cancer services for women suffering from breast cancer. My hon. Friend's speech reminds us all of the unacceptably wide variations in the quality of treatment and care and access to care in the NHS, which the Government are determined to tackle.

My hon. Friend told us of the delay in diagnosing Mr. Harley's cancer. He will understand that I cannot get involved in a discussion of the details of that individual case. I understand that the Minister for Public Health will shortly reply to my hon. Friend's letter, but it is difficult for me to discuss the detail of this case.

However, I can say a little about the options available to any of our constituents who have cause for concern about the treatment they have received. First and foremost, there is the NHS complaints procedure. I understand that in this case the chief executive of the NHS trust has written to my hon. Friend's constituent and given a commitment to a thorough investigation of his concerns.

A constituent is also entitled to refer to the General Medical Council any doctors—private or NHS—whose practice gives grounds for believing that they have been negligent or incompetent. Doctors can be referred to the GMC for suspension or removal from the list.

I should like to deal with the particular points that my hon. Friend raised in the context of the Government's commitment to providing fairer and faster care as part of our determination to modernise the national health service. We want to ensure that all parts of the health and social services system work better together; to improve clinical performance and NHS productivity; to increase flexibility in training and working practices; to ensure fast and convenient access to services: to empower patients through information; and to tackle inequalities and avoidable ill health. If we do all that, we can deliver the services that we all want.

We are impatient for change, and want to see evidence of faster, fairer, more convenient services, including modern diagnostic and treatment services. We want to ensure that services are moulded to the needs of individual patients. The Budget statement announced substantial additional investment in the national health service, part of which has already been released to my hon. Friend's health authority. We have set up action teams to tackle each of the key issues, and a national plan for the NHS will be published in July, identifying the main modernisation measures and targets.

Improving cancer services must and will be an integral part of our modernisation plan. Professor Mike Richards, the national cancer director, has been asked to develop a national cancer programme setting out key objectives and deliverable outcomes for cancer care. We are determined to reduce the impact of cancer on people's lives, and to create a world-class cancer service. We have set the challenging target of reducing the death rate from cancer by 20 per cent. by 2010. We can meet it only if we have a tough programme of action involving prevention, screening, early diagnosis and high-quality treatment and care.

Patients need to have confidence in their health service, and to know that if they have symptoms of what could be cancer they can discuss them with their GP and be referred quickly and appropriately if necessary. However, although cancer is a common problem—about 220,000 cases are diagnosed each year in England and Wales—an individual GP is unlikely to see more than eight or nine cases a year. GPs must differentiate between patients whose symptoms may be those of cancer, and the much larger group who have similar symptoms but do not have cancer.

That is why we have published cancer referral guidelines for primary health-care teams this year. The guidelines are intended to enable those working in primary health care to identify the patients who are most

likely to have cancer, and to require specialist investigation urgently. They cover all cancer sites, including the head and neck, and provide incidence figures for those sites. They highlight common risk factors, and list common symptoms. They give GPs concise, useful information that is easy for them to use, helping them to ensure that people with cancer-like symptoms are referred quickly for further tests.

Although that action has already been taken, it must feature largely in my response to my hon. Friend. It is a recent initiative on the Government's part, which is clearly intended to secure consistently high-quality referrals by GPs working in primary care—and, of course, to enable those GPs to identify people who are unlikely to have cancer, or may require a less urgent referral to hospital. We will continue to support research to determine which symptoms indicate that people consulting their GPs have a higher risk of developing cancer, and which patients can be safely followed up within primary care.

That will be backed up by the significant investment that we are making in new technology in both primary and secondary care over the next three years. It will help to provide a range of networked services such as out-patient appointment booking, test result delivery and e-mail to all GPs by the end of 2002. All that will enable patients to be referred quickly to the most appropriate specialist team for the initial investigation and appropriate management of their condition.

We need to build on effective referral by ensuring that people have speedy access to services. Services should be there when people need them. Those who need treatment urgently, as many cancer patients do, should receive it on an urgent basis. In April 1999, we set a two-week waiting-time standard for all patients with suspected breast cancer whose GPs judged that the need for referral was urgent. That is the time to be taken from a patient first contacting her GP and the GP making an urgent referral for an out-patient appointment.

From April to December 1999, more than 56,000 women benefited from that high standard and 96.4 per cent. of breast cancer patients were seen within the target period. We will be rolling out that standard for all other cancers throughout the year, with lung cancer, children's cancers and leukaemia patients being the first to benefit from the two-week standard from April 2000.

It is important, too, to minimise the time that patients have to wait for diagnostic tests. We are seeing the biggest ever single cash investment in cancer equipment of £93 million of lottery money from the new opportunities fund.

Many of the investments are in the Trent region. Barnsley will receive an updated mammography X-ray machine, as requested by the clinical director of the breast screening unit, to replace a machine that is 10 years old. I understand that that will be installed and working within the next few weeks.

I understand, too, that as part of the developments in cancer services resulting from the Calman-Hine standards, Barnsley district general hospital will shortly open a purpose-built chemotherapy unit to enable patients receiving non-complex chemotherapy treatment on an out-patient basis to be cared for closer to home, rather than having to travel to Sheffield for their treatment.

Having given the broad picture about our approach to modernising cancer services and having emphasised the importance that we attach to speedy GP referral and out-patient consultation, I should like to discuss the general mechanisms that are being put in place to tackle the performance of individual clinicians, or the failure of systems to deliver good-quality care.

Key to that is clinical governance. That process places quality at the heart of health care. We are ensuring fair access to effective, prompt, high-quality care wherever a patient is treated in the NHS by setting clear national standards, but with responsibility for delivery being taken locally through the implementation of clinical governance, backed by consistent monitoring arrangements.

Through clinical governance, we intend to ensure that we have clear lines of responsibility and accountability for the overall quality of clinical care; a comprehensive programme of quality improvement activities; clear policies aimed at managing risk; and procedures for all professional groups to identify and to remedy poor performance. We have underpinned the development of clinical governance by a new statutory duty of quality on NHS trusts, primary care trusts and health authorities, which requires them to put and to keep in place arrangements for monitoring and for improving the quality of health care that they provide.

In addition to developing clinical governance, we have reached an outline agreement with the British Medical Association in the shape of a new form of consultant contract, which will involve regular appraisal of performance. Indeed, under proposals put forward by the chief medical officer, all doctors will be subject to regular appraisal.

The chief medical officer is drawing up a report on dealing with adverse clinical incidents. That will reflect the fact that most such incidents are the result of the failure of systems, rather than simply of individuals.

As I have said, we need to ensure that patients have access to high-quality diagnosis, treatment and care services. We are committed to improving the quality of cancer services through the implementation of "Policy Framework for Commissioning Cancer Services", the Calman-Hine report.

We have published evidence-based guidance on improving outcomes for breast, colo-rectal, lung and gynaecological cancers. Further guidance on cancers of the stomach, oesophagus and pancreas will be published in the spring, and guidance on urological, skin, haematological and head and neck cancers will be commissioned over the next two years by the National Institute for Clinical Excellence.

We are developing national standards and performance indicators, based on that evidence-based guidance, which will be used to deliver and to measure continuous quality improvement in a consistent manner throughout the country within a national quality management framework.

All those improvements—setting standards, publishing evidence-based guidance on treatment of cancers and developing clinical governance systems—enable us to ensure that the health service performance can be independently reviewed by the new Commission for Health Improvement, which began work in April. We have asked the commission to conduct a national review of implementation of Calman-Hine as one of its first tasks.

My hon. Friend asked about the National Institute for Clinical Excellence and the impact of its work on the availability of cancer drugs. NICE has been asked to

[Mr. John Denham]

assess the cost effectiveness and availability of a number of anti-cancer drugs. Because of the relatively high cost of some of those drugs, some difficulties about interpreting clinical evidence and various debates, health authorities have reached different decisions on whether to fund them. That is the background to so-called postcode prescribing, which is one of the problems that we are determined to tackle.

Last week, NICE published the first of its guidance, recommending the use of paclitaxel—taxol—in ovarian cancer. Such guidance will help the NHS to focus its increasing resources on the treatments that will best improve people's health. Effective treatments will be actively promoted. As we must make the best use of NHS resources, treatments without good evidence of clinical benefits—or treatments that are more expensive than effective alternatives—would be discouraged by the NICE process.

After the Budget, when my right hon. Friend the Secretary of State for Health released the £600 million of additional funding for this year, he made it perfectly clear that we expect that money to be used, among other things, to pay for the cost of implementing NICE recommendations. I do not believe that the fears that my hon. Friend expressed about what he described as tumour-based prescribing will prove to be justified. NICE has been asked to review the evidence on the clinical cost-effectiveness of particular drugs in treating the conditions for which they have been licensed and for which there is an evidence base.

We have recently announced that, in the next year, a range of other anti-cancer drugs will go to NICE for assessment. They include three drugs for colon cancer, three drugs for lung cancer and three drugs for blood cancers, such as leukaemia. NICE will also assess some other recently licensed cancer drugs, including one for brain tumours and one for pancreatic cancer. I am certainly convinced that NICE's work will tackle some of the unacceptable variations in access to cancer treatment and care that are currently too evident in the health service.

My hon. Friend—on the basis of what has happened to his friend and constituent—raised the very important issue of cancer services and performance of the national health service. I hope that, in this brief debate, I have been able to assure him that we have taken action to address many aspects of that issue. Although there is some way to go before we have the cancer services that we aspire to deliver, we are determined to continue to make progress month by month and year by year.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes past Ten o'clock.

House of Commons

Thursday 11 May 2000

The House met at half-past Eleven o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES BILL *[LORDS] (BY ORDER)*

Order for consideration, as amended, read.

To be considered on Thursday 18 May.

KENT COUNTY COUNCIL BILL *[LORDS] (BY ORDER)*

MEDWAY COUNCIL BILL *[LORDS] (BY ORDER)*

Orders for Second Reading read.

To be read a Second time on Wednesday 17 May at Seven o'clock.

MERSEY TUNNELS BILL *(BY ORDER)*

Order for Second Reading read.

To be read a Second time on Thursday 18 May.

Oral Answers to Questions

TRADE AND INDUSTRY

The Secretary of State was asked—

Manufacturing (Northumberland)

1. **Mr. Ronnie Campbell** (Blyth Valley): What recent assessment he has made of the performance of manufacturing industry in Northumberland. [120503]

The Minister for Competition and Consumer Affairs (Dr. Kim Howells): The performance of manufacturing industry in Northumberland is constantly assessed by a number of organisations. The key organisation is the Northumberland strategic partnership which has as its partners local authorities, the North East chamber of commerce, Northumberland health authority, Northumberland training and enterprise council, Northumbria police and Business Link Northumberland. The Government office for the north-east and the regional development agency, ONE NorthEast, are in regular contact with the partnership about business matters in the county.

Mr. Campbell: I take this opportunity to raise the issue of manufacturing and textiles in Northumberland, especially Cramlington Textiles which was in danger of being sold to an asset stripper. Luckily, we have found a buyer, K Shaws, which is a big textiles company, and work will continue. Unfortunately, there will be about 100 redundancies, leaving 83 men and women working at the factory. Will my hon. Friend investigate ways in which money can be put into training for the people who will lose their job, or who have already lost their job?

Dr. Howells: I pay tribute to my hon. Friend for the fight that he has put up. He has always been a strong advocate of increasing employment and investment in Northumberland, and his constituents must value highly his efforts to ensure continuity of employment and production at Cramlington Textiles and Ellington colliery. Through the new regional development agency, ONE NorthEast, much-needed sites for the manufacturing and service sectors, such as those at Wansbeck and at West Hartford near Cramlington, have been developed. They have already attracted important new investment and will be properly resourced in terms of training.

Mr. Owen Paterson (North Shropshire): Two hundred and six thousand jobs have been lost in manufacturing since the current Government came to power. How many of the losses occurred in Northumberland?

Dr. Howells: I do not believe that Northumberland has been any more acutely affected than any other part of the country. I hope that the hon. Gentleman will not try to make cheap political points from difficult trading conditions. I am sure he welcomes the work that the Government have done to ensure that proper skills are in place in Northumberland so that new investment can come in place of old industries.

Motor Manufacturing

2. **Mr. Mike Gapes** (Ilford, South): If he will make a statement on the future of motor vehicle manufacturing in the United Kingdom. [120505]

The Secretary of State for Trade and Industry (Mr. Stephen Byers): The year 1999 saw the highest number of cars produced since 1972. Although we recognise that there will be changes in the sector, we are confident that it will remain as a major employer in the UK.

Mr. Gapes: If Ford announces the ending, after 70 years, of car assembly at Dagenham, a devastating blow will be dealt to the economy of east London and to many of my constituents who work there, and there will be serious knock-on consequences throughout the region. Will my right hon. Friend hold urgent discussions with the company, trade unions, local authorities and the Thames gateway partnership, to see what can be done either to continue some form of car assembly at the plant, or, if that is not possible, to ensure that there is massive investment and training to regenerate the economies of east London?

Mr. Byers: I assure my hon. Friend that discussions have already taken place with the company, trade unions and those involved in local regeneration projects, such as the Thames gateway partnership. If, as expected, Ford announces tomorrow the ending of car production at Dagenham, we hope to delay implementation of that for

as long as possible so that people can be taken through the process of change and be equipped to deal with their altered circumstances.

In the light of tomorrow's expected announcement by Ford, we shall announce a plan for the regeneration of Dagenham and the local area. The plan will be based on training to provide skills to those who do not currently have them and to improve the level of existing skills, supporting the setting up of small businesses, modernising manufacturing in the locality, introducing new manufacturing and attracting inward investment. Our objective is to provide new jobs for the future to replace those that might well be lost as a result of the announcement that Ford will make tomorrow.

Mr. John M. Taylor (Solihull): The Gaydon research centre in south Warwickshire is not in my constituency, but some of my constituents go there. It is rumoured that Ford is likely to acquire the centre. Is Ford likely to sustain the current activities that take place there?

Mr. Byers: It is not yet clear whether Ford will say anything specifically about the acquisition of Gaydon from BMW in its announcement tomorrow. We know that as a result of the acquisition of Land Rover in Solihull, in the hon. Gentleman's constituency, Ford is carefully considering the acquisition of Gaydon because much of the work that goes on there is linked directly to Land Rover. Ford is going through due diligence with BMW in relation to the acquisition of Land Rover and the negotiations are not yet completed, and will not be until June or July, but I can reassure the hon. Gentleman that we are still talking to Ford, and indeed BMW, about those outstanding matters.

Mr. Martin O'Neill (Ochil): The interest that Ford continues to take in the United Kingdom economy and in automotive production—be it vans, Jaguar or Land Rover—shows that it is still committed to Britain. There is gross overcapacity across the motor industry because we are producing far more cars than we can sell. Will my right hon. Friend ask the manufacturers to adopt a more realistic approach and not lurch into crises, given that people have known for years that too many cars are being produced and that there are not enough people to buy them? That is the problem that we have in the car industry, and it is the fault not of the workers but of the marketing people who look at the world through rose-coloured glasses.

Mr. Byers: My hon. Friend makes a most important point. The review of its European operations that Ford is now conducting has been motivated not by the strength of sterling or by the employment laws in the United Kingdom but by the fact that there is overproduction in the European market, running to about 20 or 25 per cent. Tomorrow's announcement will be a mixture of good and bad news, but it will be clear from it that Ford will remain committed to the United Kingdom and that we will still have Ford as a major employer in this country.

Mrs. Angela Browning (Tiverton and Honiton): Under this Government, the UK has slipped from fourth to eighth in the world competitiveness league. There is more that the Secretary of State could do to help our manufacturing industry, and the motor industry in particular. When will he start reducing the extra £30 billion of taxes that the Government have imposed on business? When will the Government start cutting the extra £10 billion of regulatory costs that business now has to bear? Is not it about time that he rolled up his sleeves and started to do a bit of cutting back himself?

Mr. Byers: I regret the fact that the hon. Lady has clearly not seen the latest manufacturing output figures which were published this morning. If she had, she would have seen that between February and March manufacturing output grew by 0.4 per cent. Indeed, in the first quarter of this year, it rose by 1.6 per cent. compared with the first quarter of last year. Manufacturing in the United Kingdom is not in crisis, as the hon. Lady would like to claim. It is strong, where there has been investment, and productivity has improved. That is the reality of the situation. It is about time that the hon. Lady put facts before prejudice.

Mr. Mark Todd (South Derbyshire): May I first relate the concern of Toyota in my constituency at the continuing high value of sterling and its effect on its competitiveness? What representations has my right hon. Friend made to the Monetary Policy Committee and the Chancellor on the subject? May I also draw his attention to the continued opportunity for inward investment in this country through the retention of the Rolls-Royce car brand, which is currently owned by BMW?

Mr. Byers: I hope that, in the not-too-distant future, BMW will be able to say something about its intentions regarding the Rolls-Royce brand. I know that it is giving detailed consideration to the issue. My hon. Friend raises an important point about the value of sterling, particularly in relation to the single European currency. The current euro-sterling exchange rate cannot be justified by any view of the long-term economic fundamentals, and I would hope that, when people consider the position and look at those long-term fundamentals, they will realise that.

Post Office

3. **Mr. David Amess** (Southend, West): What recent representations he has received on the reorganisation of the Post Office. [120506]

The Minister for Competitiveness (Mr. Alan Johnson): I have received a number and variety of representations over time about the Government's proposals to transfer the Post Office to plc status under the provisions of the Postal Services Bill. Internal reorganisations of the Post Office are a matter for Post Office management.

Mr. Amess: Will the Government listen to Post Office customers, postmistresses and postmasters all over the United Kingdom, and particularly in Southend, West, who are disgusted by the Government's proposals to disorganise the Post Office? Does the Minister realise that as a result of his Government's damaging policies, as many as 500 sub-post offices will close? Will he explain to the House how he expects those hard-pressed small

businesses to generate enough income to replace the third of their income that they will lose by 2003 as a result of his Government's policies?

Mr. Johnson: I just about managed to catch that question. We are modernising the Post Office and investing £500 million to computerise the network. With regard to closures, the hon. Gentleman may like to know that the record number of closures was in 1992, when 478 post offices closed. One reason may have been the introduction of automated credit transfer by the previous Government in 1990. The challenge for Royal Mail in the hon. Gentleman's area is to deliver a package between Basildon and Southend as quickly as he managed to move shortly before the last election.

Mr. Gordon Prentice (Pendle): We all eagerly await the report of the Cabinet Office performance and innovation unit on the future of the Post Office. The prospect of subsidy has been held out to us by the Secretary of State. May not we have to go down that road if we are to preserve post offices in small towns and villages, of which there are many in Pendle?

Mr. Johnson: We await the conclusions of the PIU report. There has always been an element of subsidy in the post office network—the cross-subsidy between heavily used post offices and those in more remote rural locations, to the tune of £30 million a year. The clause is in the Bill in case we need it. The way forward that everyone supports is for the vast majority of post offices to be commercially viable because of the number of transactions across the post office counter.

Mr. James Gray (North Wiltshire): Since the Government came to power, eight sub-post offices in my constituency have closed—of the 500 which it is proposed will be closed this year. That greatly exceeds the number in 1992, which the Minister mentioned a moment ago. How can he justify the fact that he is introducing one of the most damaging pieces of legislation on sub-post offices by saying, "You lot did worse than we did"? If sub-post offices such as those in Colerne and Box in my constituency close—they are threatened with closure this year—how will people pick up their pensions in cash, even if the Government put in place some procedure by which they could do so?

Mr. Johnson: The hon. Gentleman is wrong. There will not be 500 closures this year. I do not know where that figure came from. The number of closures for the financial year 1999-2000, the last year for which figures are available, is 383—well below the 478 that I mentioned earlier. In the past 20 years, 25 per cent. of the network has closed. Ten per cent. of the rural network closed between 1990 and 1997. As Opposition Members know full well, given that half a million people a year are moving voluntarily to ACT, there will not be a solution to the problem until we can find a way to ensure that the Post Office has other forms of transaction coming across post office counters to protect their future.

Fiona Mactaggart (Slough): May I thank my hon. Friend for his concern about a post office that was to be closed, which I raised in the Chamber on a previous occasion—the post office on Slough trading estate? Partly because of his concern, a new post office will open there in July so that the service will be restored to the businesses and the people who live in that part of Slough. May I offer my hon. Friend the chance to come and open it?

Mr. Johnson: As I worked as a postman in Slough, and as I worked at that office, it would be a delight for me to open it.

Mr. Jeffrey Donaldson (Lagan Valley): Will the Minister join me in paying tribute to sub-postmasters and their staff throughout Northern Ireland who, during the last 30 years, have courageously continued to provide the people with a service despite intimidation, violence and continual attacks on their persons? Does the Minister understand the concern now felt by those sub-postmasters about their future, in view of the Government's proposal to extend ACT provisions? Will he give special consideration to the position of sub-post offices in rural areas in Northern Ireland which, in spite of the violence of the last 30 years, have continued to provide a much-needed service?

Mr. Johnson: The hon. Gentleman has raised an important point. During the troubles in Northern Ireland, 16 post office workers were killed on duty and clerical staff were declared a legitimate target by one terrorist group in the early 1980s. They were subject to proxy bombings and hostage attacks. We should indeed pay tribute to those who continued to work under the most difficult circumstances.

We will ensure that there is a proper future for the post office network. We are determined to protect post offices, not just in the hon. Gentleman's constituency and in Northern Ireland generally—although obviously it is important for us to do that—but throughout the United Kingdom, and that is what we are working towards.

The most difficult option is to grasp the nettle now. If we had done nothing, the network would have gradually drifted away, as it has for the last 25 years.

Mr. Phil Sawford (Kettering): Is my hon. Friend aware that many people who rely on post offices are among the weakest and most vulnerable in our communities? Does he share my concern about the Conservatives' continued suggestions that we, the Government, intend to withdraw opportunities for cash payments from post offices, despite all the ministerial statements and all the leaflets that have been produced? Will he again confirm that we have no intention of withdrawing the facility that allows people to receive benefits and pensions in cash if they so desire?

Mr. Johnson: That is a good point. It is important for us not to undermine the network by continually talking it down, because that affects the properties of sub-postmasters and, for instance, their ability to obtain bank loans.

Let me repeat that we have given a pledge that all pensioners and benefit recipients who still want to draw their pensions and benefits in cash across a post office counter—undiluted by bank charges, and weekly if they are paid weekly now—will be able to do so, before and after the change.

4. **Mr. Graham Brady** (Altrincham and Sale, West): If he will make a statement on the future provision of post office services. [120508]

The Minister for Competitiveness (Mr. Alan Johnson): The Government are fully committed to a nationwide network of post offices, and recognise the important role that they play in local communities. We are contributing nearly £500 million to the cost of equipping the network with a modern, automated online IT platform. The system will be installed throughout the network comprising 18,500 post offices, enabling the Post Office to improve existing services and take advantage of new business opportunities. The report from the performance and innovation unit of the Cabinet Office on the longer-term future of the post office network is expected soon.

Mr. Brady: Does the Minister realise that in some of the parts of my constituency with the greatest amount of social housing, sub-post offices stand to lose up to 70 per cent. in turnover? The same applies to the constituencies of many Members on both sides of the House. Does that not mean that when post offices are closed as a result of the Government's policy, those who need the services most will lose them more often?

Last week the Labour party lost 600 seats in the local elections, and the Prime Minister said that he would start listening. Is it not time that the Government started listening in this instance, and changed their policy in order to save post offices?

Mr. Johnson: I know of the dependency of post offices in urban areas on the payments to which the hon. Gentleman refers. Indeed, I published the answer to a written parliamentary question giving the hon. Gentleman and others the figures.

Let me emphasise again that the Government are not looking to close post offices; we are looking to protect them and to keep them open. I repeat that 25 per cent. of the network has disappeared in 20 years. The Conservatives' solution was to break the Post Office Counters network away from the rest of the Post Office, and to privatise Royal Mail and Parcelforce. We will take no lessons on the Post Office, especially from the Conservative party.

Mr. Bob Blizzard (Waveney): Does my hon. Friend share my anxiety that some sub-post offices, which have quite a lot of customers, are nevertheless egged on by the Conservative party, which continues to tell them that they will close? Does he find it worrying that although the Government make it clear, as my hon. Friend has done again this morning, that people will be able to get their benefits and pensions in cash, some post offices are shooting themselves in the foot by frightening their customers away? The message to all those who have signed the petitions should be, "Use your local post office and you won't lose it."

Mr. Alan Johnson: My hon. Friend makes an important point. I recently visited post offices in his constituency to emphasise it. Since the rally that took place in Westminster in April, when the general secretary of the National Federation of Sub-Postmasters met the Prime Minister, dialogue has continued between me, my right hon. Friend the Secretary of State and others in Government to ensure a shared vision that allows sub-postmasters and sub-postmistresses to stop the propaganda to which my hon. Friend referred and to know that they should not only survive but thrive in the network that we aim to create.

Mr. David Heath (Somerton and Frome): Given that the performance and innovation unit's report seems to be travelling second class, will the Minister put some flesh on the bones of the shared vision? Has he discussed with the Chancellor the scale of and timetable for any subsidy? Has he consulted the Secretary of State for Social Security and thus shown that the Government are cross cutting, not merely cost cutting? Most important, has he a shared vision with postmasters and postmistresses in which they have confidence?

Mr. Johnson: On the PIU report travelling second class, we said that the exercise would be a cross-cutting, thorough and comprehensive examination of the network, and that we would publish the report in the spring. We still intend to do that. That should be contrasted with the previous Government's review, which began in 1992, muddled through until 1994 and began a new phase and, in 1997, ended where it began. Discussions with other Departments take place all the time. We are considering not a Department of Trade and Industry, Department of Social Security or Treasury issue, but one that involves the whole Government. Our discussions and the PIU report are intended to find a Government solution.

Small and Medium-sized Enterprises (Kent Thameside)

5. **Mr. Chris Pond** (Gravesham): What assistance he proposes for small and medium-sized enterprises in Kent Thameside. [120509]

The Minister for Small Business and E-Commerce (Ms Patricia Hewitt): The Business Link network provides a range of advice and assistance to small and medium-sized enterprises in Kent Thameside, including guidance on IT, exporting and sources of finance.

Mr. Pond: I thank my hon. Friend for that answer. I know that she and her colleagues worked hard to win assisted area status for Kent Thameside and other parts of north Kent and that she shares my disappointment at the European Commission's rejection of those proposals. Will she consider other ways in which we can help small and medium-sized enterprises in my constituency—and in Kent Thameside generally—to unlock the potential for prosperity and employment that we know exists there?

Ms Hewitt: I do indeed share my hon. Friend's disappointment and that of small businesses in his constituency that we were not able to include Medway and Gravesham in the assisted areas map. However, I can confirm that all the areas that were previously proposed for tier 2 status will be designated as tier 3 areas. Small businesses in Medway and Gravesham will

therefore be able to apply for enterprise grant schemes. That will undoubtedly help many businesses to thrive in future.

Mrs. Angela Browning (Tiverton and Honiton): Now that Medway and north Kent have lost their assisted area designation, will the Minister explain to small businesses in Kent a letter that Commissioner Mario Monti sent to the Conservative leader of Kent county council? It states:

the UK failed to notify its proposal for the new regional aid map in time. In fact, we had asked Member States as early as February 1998 to submit their new maps by March 1999. The UK did not notify until July 1999 and its proposal raised important questions as regards its compatibility with the state aid rules on national regional aid.

We have been round this course before. The Secretary of State does not know what he is doing on regional aid. Is not it time that he rolled up his sleeves and learned the discipline of delivery on time?

Ms Hewitt: I think that the hon. Lady is in danger of getting her record stuck. We submitted our proposals for the assisted areas map in line with the timetable that was agreed with the Commission. Of course we were disappointed that we were unable to include all the areas that we would have liked because of the need to reduce population coverage and to satisfy the Commission on the point about which it came back to us—whether or not Gravesham and Medway constituted a self-contained area.

Industrial Assistance

6. **Dr. Vincent Cable** (Twickenham): What criteria he uses in deciding which sectors receive selective industrial assistance. [120510]

The Secretary of State for Trade and Industry (Mr. Stephen Byers): All sectors are eligible to apply for assistance, subject to European Union restrictions. Aid to firms operating in certain sectors, such as coal, steel, shipbuilding and motor vehicles, is governed by other European codes.

Dr. Cable: So that business can be reassured that assistance is provided on a genuinely objective, non-discriminatory basis free of political interference, will the right hon. Gentleman explain the logic that has led the Government to find help, as he says, for the coal, steel, car, ship and other industries, but not for the chemical, textiles, paper-making and other sectors that have faced the same competitive pressures and difficulties in the job market? Can he give examples from his period as Secretary of State of when he has declined industrial assistance for applicants from particular sectors?

Mr. Byers: We look at three broad matters when considering assistance. First, we need to support investment—either inward investment to attract a mobile project that could go anywhere in the world or projects such as the airbus initiative, where investment is made in the form of launch aid, which is repaid to the Government. Secondly, we need to ensure that competition is not unfair. For example, we must ensure that our shipbuilding industry is not at a disadvantage, given that the industry in other parts of Europe receives Government support.

Thirdly, we need to assist industry through the process of change. That was one reason why we provided £100 million to the coal industry, where the process of change occurred because of the lifting of the stricter gas consents policy. There is therefore a rational approach to those matters that does not discriminate against particular sectors. We are considering how we might be able to support the textiles industry in a way that falls within those three principles.

Judy Mallaber (Amber Valley): Will my right hon. Friend note the observation in the consultation document from the national textiles and clothing strategy group, which the Department is considering, that take-up of regional selective assistance by textiles and clothing companies is remarkably low? Will he undertake to ensure that the officials who administer regional selective assistance and the enterprise grants take a positive attitude to investment in our eighth largest manufacturing industry and, specifically, that they encourage textiles and clothing companies to make applications for assistance and help so that take-up is increased?

Mr. Byers: My hon. Friend raises an important point. We are looking at the responses that we have received through the consultation process on the textiles strategy and we shall announce our conclusions in a few weeks' time. I will ensure that my hon. Friend's comments are taken on board as we arrive at our conclusions. She also raises an important point about employment in manufacturing. While recognising that there have been difficulties in recent times for certain sectors of manufacturing, it is important to set them in the historical context.

Since we took office, between May 1997 and February of this year 160,000 jobs have been lost in manufacturing. I regret that 160,000 jobs have been lost in manufacturing in almost three years, but it is worth comparing that with the average fall in employment for each year under the Conservative Government from 1979 to 1997: for each of those 18 years, 140,000 manufacturing jobs were lost. That is the Tory record on manufacturing—one of neglect. This Government's record is one of continued modernising investment.

Mr. Nick Gibb (Bognor Regis and Littlehampton): Can the Secretary of State confirm that there is deep unease in the ranks of senior civil servants in his Department over the shambles of his industrial policy and that, as a result, he has taken the unprecedented step of moving a number of senior policy advisers to other parts of the Department? In particular, can he confirm that Michael Atkinson has been removed as the director of the coal unit and sent to the resources and business competitiveness group, and that Alan Wright has been removed as director of the coal health claims unit and sent to the finance department? If that is correct, can he tell the House the reasons for those moves?

Mr. Byers: I gave the hon. Gentleman a parliamentary reply a few days ago that put all that on the record, so he should just read the official record and find out. These issues are decided by the permanent secretary; I have had no involvement in them. It is wholly appropriate that that should be the case.

Mr. Dennis Skinner (Bolsover): If any of those civil servants were around when the Tories shut the 31 pits in the early '90s, then good riddance to them. I hope that my right hon. Friend played a part in moving them.

The reason why it is necessary to refer to selective assistance is that I, as a firm believer in intervention in the labour market, believe that, if it is correct to pay out large subsidies to farming interests, it cannot be wrong to assist where it is necessary in the industrial market generally, so it would not worry me at all. In fact, I would be pleased to know that, from now until the next general election, my right hon. Friend and others will make statements here to say that they are intervening before breakfast, dinner and tea to ensure that British workers keep their jobs. One thing is absolutely certain: unemployment has fallen for a good number of years. We want to ensure that it does not start rising before that next election is called.

Mr. Byers: The issue of intervention is important. I disagree with my hon. Friend on these matters, and he knows it because we have debated them at length. My view, and that of the Government, is that there should be a presumption against intervention. We need to look at the three areas where we are prepared to intervene very much as exceptions The reason is that history shows that, in the long run, intervention and state subsidies do not build strong, profitable companies. It is only by having strong, profitable companies that we will have long-term employment.

Employment Relations (Seasonal Staff)

7. **Mr. Andrew George** (St. Ives): If he will make a statement on employment relations in respect of employers who repeatedly reappoint temporary staff on a seasonal basis. [120511]

The Minister for Competitiveness (Mr. Alan Johnson): We would always encourage employers to treat their staff fairly, whatever the basis on which they are engaged. Many employment rights apply to temporary and seasonal staff.

Mr. George: Is the Minister aware that, in west Cornwall, which is characterised by the lowest wages in the country and high unemployment, many low-paid workers such as classroom assistants have a pattern of employment, lay-off and re-employment that makes them ineligible for benefit during the long weeks and months during which they are unpaid? Does he accept that there is a need for joined-up government attention and action to ensure that the best interests of those low-paid workers are protected?

Mr. Johnson: I am aware of some of the problems. It is important to retain the flexibility that seasonal and temporary staff bring, but the improvements that we have introduced include making provision last summer to ensure that temporary and seasonal staff are not allowed to sign away their rights on unfair dismissal. The minimum wage had an effect on such staff. Later in the year, the fixed-term working directive will be debated, which again will look at that particular matter in great detail.

Mr. Lawrie Quinn (Scarborough and Whitby): The Minister will be aware that seaside communities such as Scarborough and Whitby have a seasonal employment problem, inasmuch as people are taken on for the season. What discussions have taken place with the Department for Culture, Media and Sport—particularly with the Minister for Tourism, Film and Broadcasting—regarding the tourism and hospitality industry, where there is a problem in terms of the seasonality of employment? What information packages will be made available for small employers, which are the bedrock of many of these economies?

Mr. Johnson: My hon. Friend raises an important point. We looked at this matter when we introduced the minimum wage—and we included such staff—and again when we introduced the working time directive. For the first time, all those workers now have the right to rest breaks and paid holidays. We will discuss with the Department for Culture, Media and Sport—which has an important role—the introduction of the fixed-term working directive to ensure that we give maximum protection without destroying the flexibility which my hon. Friend will appreciate is necessary in those areas.

Mr. Ian Bruce (South Dorset): I am glad that the Minister will look carefully at the directive. In the last Parliament, when the Select Committee on Education and Employment looked at temporary working, it found that the French—who had tried to legislate against temporary working—had 25 per cent. of their employees on temporary contracts, whereas, within the United Kingdom, where there is no legislation against temporary contracts, the figure was only 6 or 7 per cent. I hope that the Minister will look carefully at that before he signs up to job-destroying directives coming out of Europe, which are causing so many problems in France and Germany.

Mr. Johnson: We have no intention of stopping people working on fixed contracts. Many people choose to do so, and have done for many years. However, neither do we have any intention of introducing bad employment practice ghettos for people who are on such contracts. I do not agree that we have introduced job-destroying measures. Unemployment is at its lowest level for 20 years, long-term unemployment has reduced by 50 per cent. and youth unemployment has reduced by 70 per cent. The hon. Gentleman's dogma has been destroyed by the reality of this Government promoting social justice while ensuring that the number of jobs is increased.

Consumer Rights

8. **Mr. John Smith** (Vale of Glamorgan): What plans he has to extend further the rights of consumers. [120512]

The Minister for Competition and Consumer Affairs (Dr. Kim Howells): In our White Paper "Modern Markets: Confident Consumers", published last year, we set out how we intend to improve consumer law to help people get a fair deal. We are consulting on these changes to the law, which will provide tougher sanctions against rogue traders, tougher controls against the misdescription of services and better advice to consumers.

Mr. Smith: Has my hon. Friend's Department any plans to attempt to liberalise trade with the European trademark directive, which has resulted in a ridiculous

situation where British retailers cannot market branded clothes at a competitive price because of bureaucratic European rules? The British consumer has been ripped off for too long, especially on designer clothes.

Dr. Howells: The Government are working with other sympathetic EU Governments, especially Sweden, to examine—and, where appropriate, promote—the benefits to consumers of relaxing the current European Union rules governing trademarks, parallel imports and other restrictions on the free movement and sale of goods. There should be no acceptance by consumers or retailers that people in Britain should be paying the same number of pounds for goods and services as they would be paying in dollars in the United States.

Mr. Peter Lilley (Hitchin and Harpenden): Does the Minister agree that, while addressing people's rights as consumers, we must allay their concerns about health and the environment? In view of the concerns expressed about the health implications of mobile telephony, why are the Government not making a statement today about the report addressing those concerns that is published today? When will they come to Parliament and give us time to discuss the issue?

Dr. Howells: That is a matter for my right hon. Friend the Secretary of State for Health.

Business Start-ups

9. **Mr. Kerry Pollard** (St. Albans): What measures he is considering to encourage responsible risk-taking in business start-ups. [120513]

The Minister for Small Business and E-Commerce (Ms Patricia Hewitt): The Small Business Service will encourage people who are starting or growing a business to seek support from Business Links. There is good research evidence to show that those who do receive support and advice can significantly reduce the risks that they take and are more likely to stay in business.

Mr. Pollard: What measures are the Government taking to ensure that those who have incurred bankruptcy because of reckless or fraudulent practice are treated differently from those who have simply made honest mistakes?

Ms Hewitt: My hon. Friend raises a very important issue. We are reforming bankruptcy law to distinguish between the vast majority who are honest and responsible risk takers, and the minority who have engaged in fraudulent practice. Our measures will ensure that those responsible risk takers will be discharged earlier from bankruptcy and, indeed, when appropriate, given help to set up again in business. At the same time, however, we shall protect creditors and impose tougher penalties on the reckless and dishonest minority.

Mrs. Angela Browning (Tiverton and Honiton): Today, when the Secretary of State and the Prime Minister encourage young entrepreneurs to go into business, will they also advise them about the business risks? Will they, for example, warn them not to go into information technology and become specialists so that they do not get clobbered by IR35? Will they warn them not to forget to build into their cashflow forecasts the costs of administering the Government's ill-thought-through schemes, such as the working families tax credit, which will cost business £340 million in administrative costs alone?

Will the Prime Minister and the Secretary of State also, however, encourage those young entrepreneurs to develop thick skins—so that, when they eventually become world-class businesses and discover that yesterday's entrepreneurs have become today's fat cats, they will understand that there is nothing personal in it, just new Labour looking for a soundbite?

Ms Hewitt: Well, that was a very snappy question. I am sorry that the hon. Lady did not feel able to welcome this morning's launch by the Prime Minister and business organisations of Enterprise Insight, which will indeed encourage more people of all ages to take the plunge into setting up a business. As for business burdens, perhaps I can remind her of her own words when, as a Minister in the previous Government, she said that she would be the first to say that they did not do very well on regulation. *[Interruption.]* We are reducing the administrative costs to business. Indeed, the new chief executive of the Small Business Service sits on the regulatory reform panel, which will help to ensure that we improve the regulatory environment for small and large businesses.

Mr. Harry Barnes (North-East Derbyshire): When it comes to risk taking, is there not a distinction between caution and inaction? Many firms that are at the cutting edge of developments in sectors such as the biosciences are finding it extremely difficult to obtain necessary capital from banks and other financial institutions. Does that not undermine the work of the small firms loan guarantee scheme?

Ms Hewitt: My hon. Friend makes a very important point. The issue that is most often raised with us by small businesses is the need to obtain proper finance, and finance on the terms that they require. That is why we have created the enterprise fund, which will ensure not only continuation of the very successful small firms loan guarantee scheme, but the creation of regional venture capital funds to help close the equity gap in funding for small and growing businesses.

Climate Change Levy

10. **Mr. Christopher Gill** (Ludlow): What assessment he has made of the effect of climate change levy upon the competitive position of aluminium converters. [120514]

The Minister for Energy and Competitiveness in Europe (Mrs. Helen Liddell): The effect of the climate change levy on companies engaged in aluminium conversion—rolling and extrusion—will depend on whether they benefit from the various levy exemptions, whether they take advantage of the proposed new scheme of capital allowances for energy-efficient investments, and the extent to which they may qualify for a discount from the levy.

Mr. Gill: We all know that the Government have difficulty with simple arithmetic, but does the Minister understand that if the Lawson Mardon Star Company—an aluminium converter and roller in my constituency, which

employs 600 people—is obliged to pay somewhere in the region of £600,000 or £700,000 per annum, while expecting to receive only £10,000 in employers national insurance rebate, the cost to that company will be of the order of £1,000 per employee? Does she realise that that poll tax on workers in manufacturing industry, coming on top of all the other cost burdens imposed by the Government in the past three years, will be the straw that breaks the proverbial camel's back—or is she content to see British workers' jobs exported to countries where environmental protection is nothing more than a sick joke?

Mrs. Liddell: I welcome that speech—I thought that I was going to get a question. The hon. Gentleman is clearly not prepared to take into account the environmental obligations on every country and every company. The climate change levy is a key element in tackling climate change. A draft national programme was published on 9 March. The Aluminium Federation has been involved in discussions with the Government about the levy. We have just come to the end of a three-year programme on competitiveness in the aluminium industry that was partly funded by the DTI. We have continued to work with the industry, particularly on issues of sustainable development. For companies throughout the world, climate change issues will not go away. That is why my right hon. Friend the Chancellor has revised his plans for the climate change levy, putting in place capital allowances to assist industry to become much more energy-efficient. Unlike the Conservatives, we are not prepared to bury our heads in the sand on climate change issues.

Mr. Richard Page (South-West Hertfordshire): Does the Minister accept that the perfectly reasonable question asked by my hon. Friend the Member for Ludlow (Mr. Gill) expresses the concerns felt not just by the aluminium industry but by the whole of industry on the climate change tax? Is she aware that industry feels that the DTI has abandoned its sponsorship role, particularly on sustainability? I have one direct question for her. As the various agreements that have been reached require permission from the European Union, because they will be regarded as state aid, will she give a guarantee that the levy will not be introduced until the Commission has granted permission? If not, it will cause hundreds and thousands of job losses.

Mrs. Liddell: Again, the Conservatives have underlined their complete opposition to taking any action to ensure that this country has a sustainable economic future. The hon. Gentleman should take into account that, throughout the Organisation for Economic Co-operation and Development countries, there is a need to tackle climate change issues. British industry has an opportunity to gain a competitive advantage on that. The Government have consulted widely on climate change issues. My right hon. Friend the Chancellor has been involved in discussions with industry, and the DTI has acted as a sponsor for the aluminium industry and the entire industrial sector. My right hon. Friend will reveal the outcome of his consultation in due course.

Producer Responsibility

11. **Dr. Alan Whitehead** (Southampton, Test): If he will make a statement on his Department's discussions with industry on producer responsibility. [120515]

The Minister for Competition and Consumer Affairs (Dr. Kim Howells): The Department has regular discussions with industry sectors engaged in producer responsibility initiatives. In March, my hon. Friend the Minister for Small Business and E-Commerce attended a forum on producer responsibility, organised by the associate parliamentary sustainable waste group, at which she was able to listen to the views of industry representatives on a number of aspects of producer responsibility.

Dr. Whitehead: Is my hon. Friend encouraging industry to develop schemes in advance of the implementation of European Union directives on producer responsibility? Does he consider that electronics and electrical goods industries, particularly the car manufacturing and retail industry, will be able to respond positively and early to directives that may be in the pipeline?

Dr. Howells: I am well aware of the part that my hon. Friend has played in formulating a deposit system for white goods. He will know that EU directives on producer responsibility for electrical and electronic equipment and for vehicles are under development. We have been discussing the directives with the industries concerned. A number of manufacturers have already introduced voluntary schemes. For example, the mobile phone industry operates a take-back and recycling scheme through retailers and network operators, and a voluntary scheme for end-of-life vehicles has been in place since 1997. Those schemes demonstrate the commitment of companies to producer responsibility and will provide valuable experience for United Kingdom business when implementing the directives.

Mr. John Bercow (Buckingham): Does the hon. Gentleman agree with me that one producer responsibility that industry already admirably fulfils is to warn the Government of the serious danger of the massively damaging burden of regulation from which small companies, in particular, suffer? Does he agree that industry is right to urge a further cut in red tape, the introduction of sunset clauses, exemptions for small firms from the most damaging regulations and longer consultation and lead-in times for the introduction of new regulations? In short, does the hon. Gentleman agree that industry is behaving extremely responsibly in urging the abandonment of the Labour party manifesto and its replacement by the policies of the commonsense Conservative small business manifesto?

Dr. Howells: No, but I am thinking of putting in a claim for industrial deafness.

Kosovo (Regeneration)

12. **Mr. Roger Casale** (Wimbledon): What steps are being taken by his Department to assist British companies to participate in the regeneration of Kosovo. [120516]

The Minister for Energy and Competitiveness in Europe (Mrs. Helen Liddell): At the initiative of my right hon. Friend the Secretary of State, British Trade International established the Government/private sector taskforce last June to promote and co-ordinate the United Kingdom's response to the reconstruction opportunities in

Kosovo. Arising out of that, a consortium of British companies, with financial support from the Government, was awarded the concession to manage Kosovo's power sector over the winter period. The United Kingdom was also awarded the contract for the first phase of upgrading Pristina airport. A website has been established to assist the British community and a BTI official has also been seconded to Kosovo.

Mr. Casale: I thank the Minister for that reply. Will she join me in congratulating Racal, in my constituency, for winning the contract to install the new avionics system at Pristina airport and to make safe civilian flights into Kosovo? Does she agree that the outstanding role that Britain has played in the humanitarian relief effort in the reconstruction of Kosovo has placed the reputation of British companies in the region in very good stead? Will she further encourage British companies to support the work of the British Government and British non-governmental organisations in the region in providing humanitarian relief, thereby taking advantage of new trade and investment opportunities in the Balkans?

Mrs. Liddell: My hon. Friend makes a good point. I am happy to join him in congratulating Racal in his constituency. My right hon. Friend the Minister for Trade will be visiting Kosovo in the next few weeks. A key factor will be to ensure that, as we move from the emergency reconstruction of Kosovo into longer-term strategic recovery programmes, British industry will be able to contract for much of the employment. The British industrial sector is held in high regard in Kosovo because sound commercial business sense has been linked with a strong humanitarian agenda.

Burdens on Business

13. **Ms Linda Perham** (Ilford, North): What initiatives his Department is taking in conjunction with other Departments to reduce burdens on business. [120517]

The Minister for Small Business and E-Commerce (Ms Patricia Hewitt): The Government have set up a new panel, chaired by the Minister for the Cabinet Office, to hold Ministers to account for their regulatory performance. David Irwin, the chief executive of the new Small Business Service, is a member of that panel, and the Small Business Service will be scrutinising all proposed regulations to assess their impact on small businesses and to ensure that all officials and Ministers concerned with regulation think small first.

Ms Perham: I thank my hon. Friend for that answer and welcome the measures that she is taking with other Departments to reduce red tape for small businesses. Is she aware that, between 1994 and 1996, the Conservative Government introduced 10,000 extra regulations, and that according to the recent OECD economic outlook, the UK has fewer regulations than other OECD countries? Does my hon. Friend agree that the Government, as well as supporting enterprise, are also delivering fairness at work for thousands of employees, including the national minimum wage, paid holidays and family-friendly policies?

Ms Hewitt: My hon. Friend is absolutely right. The OECD confirmed in its latest benchmarking study that economic product market regulation in the United Kingdom is lower than in any other industrial country, including the United States of America. I entirely agree that it is essential to distinguish between administrative costs and red tape, and providing decent standards at work for employees. Conservative Members, as they have confirmed again today, opposed the introduction of the minimum wage, decent basic holidays for employees and the working families tax credit. They have also opposed measures to help parents balance work and family.

Mr. Michael Fallon (Sevenoaks): Has the Minister not read the report of her own taskforce, chaired by Lord Haskins, which concluded that entrepreneurs have been distracted from running or enlarging their businesses by the cumulative burden of taxation, employment, public protection and environmental legislation? Does she agree or disagree?

Ms Hewitt: We have asked the better regulation taskforce to help us continue to improve the situation and to continue reducing the burden of red tape upon business. I welcome the taskforce's report. We are studying its recommendations seriously and shall respond within 60 days.

Business of the House

12.30 pm

Sir George Young (North-West Hampshire): Will the Leader of the House give the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): The business for next week will be as follows:

MONDAY 15 MAY—Second Reading of the Fur Farming (Prohibition) Bill.

The Chairman of Ways and Means has named opposed private business for consideration at 7 o'clock.

TUESDAY 16 MAY—Opposition Day [10th Allotted Day]. Until about 7 o'clock, there will be a debate entitled "UK Manufacturing and Enterprise" followed by a debate entitled "The Future of the Teaching Profession". Both debates will arise on Opposition motions.

Motion on the Northern Ireland Arms Decommissioning Act 1997 (Amnesty Period) (No. 2) Order 2000.

WEDNESDAY 17 MAY—Remaining stages of the Royal Parks (Trading) Bill.

The Chairman of Ways and Means has named opposed private business for consideration at 7 o'clock.

THURSDAY 18 MAY—Second Reading of the Care Standards Bill [Lords].

FRIDAY 19 MAY—Private Members' Bills.

The provisional business for the following week will be as follows:

MONDAY 22 MAY—Remaining stages of the Nuclear Safeguards Bill *[Lords]*.

Remaining stages of the Television Licences (Disclosure of Information) Bill.

TUESDAY 23 MAY—Second Reading of the Crown Prosecution Service Inspectorate Bill *[Lords]*.

Remaining stages of the Sea Fishing Grants (Charges) Bill.

WEDNESDAY 24 MAY—Opposition Day [11th Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 25 MAY—Consideration of Lords amendments which may be received.

Motion on the Whitsun recess Adjournment debate.

Sir George Young: The House is grateful for next week's business and an indication of the business for the following week. Will the Leader of the House tell us whether on Thursday 25 May she envisages the House sitting at 9.30 am, which was the pattern that was adopted before the Easter recess?

The House has had statements on Sierra Leone, but has not the time come for a full day's debate on the matter, not least because we have not had a foreign affairs debate for some time and because the commitment to Sierra Leone may be more enduring than was at first thought?

Has the right hon. Lady yet decided how the House might best debate economic matters during the parliamentary year? I raised the subject a long time ago and the issue has not yet been resolved.

In the light of today's report on mobile phones, are Ministers planning to make a statement on this potential health hazard and give the House an opportunity to ask questions about the safety of our younger constituents?

The right hon. Lady will be aware that there is mounting interest in how the House manages itself. Has not the time come for a debate on the Liaison Committee's report and a debate on the Procedure Committee's report on secondary legislation? Is there any sign on the horizon of debates on either the House of Lords or the intergovernmental conference?

Now that we have in place a mayor and assembly for London, is there not a need for a dispute resolution procedure, as we have for Scotland and Wales? Clearly such a procedure will be needed for London. Will the Deputy Prime Minister make a statement to explain how conflicts between the Government and the mayor will be resolved?

Mrs. Beckett: First, the right hon. Gentleman asked me about the pattern for the Thursday sitting on 25 May. At present, it seems likely that it will be an ordinary Thursday sitting. Obviously, that depends to some degree on the scale of the amendments that we expect to receive from another place. I shall return to that subject for the House as soon as I can.

I note the right hon. Gentleman's request for a debate on foreign affairs. If I understood correctly, he asked for a specific debate on Sierra Leone. I am not sure about that, but will draw his concerns to the attention of my right hon. Friend the Foreign Secretary.

The right hon. Gentleman asked about economic debates. He was right to remind me of that, and I shall certainly bear the point in mind when considering the pattern of debates for the future.

On mobile phones, the Government are responding as speedily as possible to several of the report's recommendations, and we will issue advice on the others in due course. My right hon. Friend the Secretary of State for Health may well answer a question about that. I shall certainly draw the right hon. Gentleman's remarks to my right hon. Friend's attention, and I am confident that he will seek to keep the House informed.

I understand the right hon. Gentleman's request for a discussion on the report of the Liaison Committee and on the report on secondary legislation of the Select Committee on Procedure. I share his view that they are important reports on how the House will conduct its future business. In particular, the Liaison Committee's weighty and far-reaching report has substantial implications for all hon. Members. It advances proposals that would create different patterns of work and responsibilities between one group of Members and another. The House as a whole will want to consider those proposals seriously.

I am mindful of the request for a debate on Lords reform and the intergovernmental conference.

With regard to the right hon. Gentleman's final remarks, I believe that the devolution settlement in London is as well known to him as it is to the rest of us. We very much hope that there will be a creative relationship with the new assembly and mayor, and we shall seek to further that.

Mr. Harry Barnes (North-East Derbyshire): Has my right hon. Friend read early-day motion 312 on the Tobin tax?

[*That this House notes that international currency speculation currently stands at about $1.5 trillion a day and that the vast majority of this is unrelated to trade in real goods and services; further notes that such enormous speculative flows substantially undermine the powers of national governments and regional blocs; believes that a small levy on such speculation, known as the Tobin Tax after the name of the Nobel Laureate who originated the concept, could both help to dampen down the scale and scope of speculation and raise substantial revenues, raising as much as $250 billion each year for good causes such as development and environmental protection; recognises that such levy would have to be universal or as near to that as possible and contain safeguards to minimise and eliminate tax evasion; notes that the Tobin Tax has the backing of the Canadian Parliament, the Finnish Government and campaign groups such as War on Want; and urges the Government to discuss the concept with its partners in international organisations such as the World Trade Organisation, the IMF, G8 and the European Union with a view to drawing up an internationally co-ordinated and feasible tax regime for currency speculation.*]

The motion has been signed by 108 Members from both sides of the House, and calls for an international tax on currency speculation that would raise massive amounts of money to tackle third-world problems. There was an hour-and-a-half debate on the matter in Westminster Hall, when the Government's totally inadequate response and position were given. Would it not help the House to understand the Government's position if we had a full debate on the Floor of the House about this important issue?

Mrs. Beckett: I sympathise with my hon. Friend's concern, knowing that he takes great interest in and favours those proposals. With respect to him, however, although he asked for a debate on the Floor of the House so that the Government's position could be made clear, my understanding both of the Government's position and of my hon. Friend's remarks is that our position is clear, just not what he wishes it to be.

Mr. Paul Tyler (North Cornwall): Will the Leader of the House note that there is widespread support on both sides of the House for an early debate on Sierra Leone?

I endorse the view that we cannot go on having endless delays in debating the House of Lords. That debate has been postponed twice, I think. May we please have a date for it? There was a suggestion last week that we might debate the matter before the Whitsun recess, but it seems to have gone beyond that.

Will we have a statement, or a debate, on the Government's change of policy on pensions? In answer to my right hon. Friend the Member for Ross, Skye and Inverness, West (Mr. Kennedy) yesterday, the Prime Minister said:

> We therefore decided to start with the poorest pensioners first . . . We are now seeing how we can help those other pensioners.—[*Official Report*, 10 May 2000; Vol. 349, c. 834-35.]

The Government resisted Liberal Democrat support for a change in the standard pension payments. When will we have a statement or debate so that we may know what the Government's pensions policy means?

Mrs. Beckett: I shall draw the concerns expressed on Sierra Leone to the attention of my right hon. Friend the Foreign Secretary. Several foreign affairs issues exist, and it is not possible to find time on the Floor of the House for separate debates on all of them. That was why we brought into being and recommend Westminster Hall. I shall bear in mind remarks suggesting that there is pressure for a debate on foreign affairs.

The debate on Lords reform has been postponed only once—and, let me remind the hon. Gentleman, at the request of the Opposition.

Mr. Tyler: The other Opposition.

Mrs. Beckett: I accept that it was the request of the Conservative Opposition, not the Liberal Democrat Opposition. Nevertheless, the debate was delayed at the Opposition's request. I am not aware—*[Interruption.]*—Children, children. I am not aware of any indication that a debate would be held before Whitsun, although, of course, I realise that there is pressure for such a debate—indeed, the Government intend to schedule one.

I heard yesterday's exchanges between my right hon. Friend the Prime Minister and the leader of the Liberal Democrats, but I am not aware of—nor did my right hon. Friend indicate—any change in policy. Indeed, he made it plain that our manifesto said that we would focus help for pensioners on the poorest first, because the gap between the poorest and the best-off pensioners is so substantial. We would then hope to move on to help those in less great need, and we are now discussing how to do so. Furthermore, it was my impression that my right hon. Friend pointed out that that was exactly what was argued for in the Liberal Democrat manifesto.

Mr. Keith Darvill (Upminster): My right hon. Friend will be aware of the concern and anguish of the many Ford employees in my constituency who work at Dagenham and at the Ford establishments in south and west Essex. Can she find time for an urgent debate on the effects of that decision on the east London and south Essex Thames gateway area, and on any possible measures that the Government propose to mitigate its outcome?

Mrs. Beckett: I understand and sympathise with the concerns expressed by my hon. Friend on behalf of his constituents. I am well aware of the powerful emotional symbolism to the area of Ford at Dagenham. However, my hon. Friend will be aware—as I am—that Ford has made it clear that an announcement will be made. The full nature of the matter is not yet plain. No doubt, when the announcements are in the public domain, the House will discuss and comment on them in whatever way is possible.

Mr. Patrick McLoughlin (West Derbyshire): Will the Leader of the House arrange for a debate on planning applications? Is she aware of my amazement at the two letters that I received this morning from the Under-Secretary of State for the Environment, Transport and the Regions, the hon. Member for Stretford and Urmston (Ms Hughes)? One refused to call in a planning application—off Asker lane—even though a vast number of people in Matlock wanted that to be done. The second letter informed me that the Government have decided to call in a planning application for Duffield fire station, which many people are keen should be developed—including the Labour-controlled Derbyshire fire authority.

Mrs. Beckett: I fear that I cannot offer to find time for a special debate on the Floor of the House, although I

[Mrs. Beckett]

realise that such issues are often of burning concern in a locality. Moreover, the hon. Gentleman will fully recognise that, to some degree, Ministers act in a quasi-judicial capacity in such matters, so I should be unwise to be drawn into commenting on the merits of any potential decisions. However, I am sure that my hon. Friend the Under-Secretary of State for the Environment, Transport and the Regions will weigh them all carefully.

Charlotte Atkins (Staffordshire, Moorlands): I congratulate my right hon. Friend on the introduction of timetabling during the past few days. On Tuesday night, despite the lateness of the hour, many Members were extremely pleased that there was a guaranteed finishing time, even though it was at 12.28 am. May we look forward to further such experiments—[HON. MEMBERS: "No."]—on timetabling in the near future?

Mrs. Beckett: I am grateful to my hon. Friend for her remarks and congratulations, although I am not sure that they should be directed to me. As she rightly points out, the Government and the Modernisation Committee have argued that programming debates ensures better and more effective use of parliamentary time, and that all parts of legislation are properly examined as the House would want. She will also know that a competent Opposition would welcome programming. I have previously pointed that out at the Dispatch Box. However, she will have heard the noises from Opposition Members that suggest that there is some divergence of view on the matter.

Mr. John Wilkinson (Ruislip-Northwood): We are used to our forces being required to pull the chestnuts out of the fire after failures in Labour's foreign policy, but it would surely be a new departure for them to be pitched into the flames of the growing conflagration of the civil war in Sierra Leone. Will the Leader of the House explain how Her Majesty's Government can possibly give priority to fur farming and royal parks trading over the safety of our armed forces in a situation that—now that British nationals have largely been evacuated—does not affect our national interest one little bit?

Mrs. Beckett: I am sorry to say that the hon. Gentleman's comments are, as always, wholly negative. I am surprised that it is his contention that we should ignore developments in Sierra Leone and ignore circumstances in which Britain can contribute to an improvement in public order—for our own citizens, as well as for others. On what the House debates, I accept that he raises an important matter, but I very much doubt whether the welfare and safety of a single British soldier will be much affected by whether we discuss it next week.

Mr. Frank Roy (Motherwell and Wishaw): Will my right hon. Friend consider providing time to debate the Government's attitude to rip-off Britain? She will know that more than 20,000 families in the United Kingdom have lost money because of the closure of the Uno furniture retailers, and I am sure that, like me, other Members have experience of dealing with the problems that that has caused for our constituents. Customers of the company feel particularly ripped off, because they have lost their hard-earned savings, they will not receive their furniture and they will find themselves at the bottom of the pile when any recompense is given. I hope that my right hon. Friend will consider giving us an opportunity to discuss the matter fully.

Mrs. Beckett: I take my hon. Friend's point that the problems that his constituents experience as a result of commercial developments in the area are problems that he feels are part of a bad relationship between consumers and some elements of the business community. I understand that that can cause great distress in a locality, but I fear that I cannot offer to find time on the Floor of the House for such a debate. My hon. Friend might like to seek an Adjournment debate in Westminster Hall.

Rev. Martin Smyth (Belfast, South): Is the apparent delay in bringing forth the restoration of the Northern Ireland Assembly order and a debate on the Royal Ulster Constabulary anything to do with a problem of smoke and mirrors? The House is also aware that civil servants advise Government and that the Clerks of the House advise Members. I understand that, in the Welsh Assembly and in the Northern Ireland Assembly, civil servants advise Members. How can there be real scrutiny of government if the same people advise the Government and the Assembly?

Mrs. Beckett: On the hon. Gentleman's opening remark, most people in the House very much hope that, whatever discussions are taking place, they will come to fruition in a way that will forward the peace process in Northern Ireland. His final remark about how the Assembly is serviced and from where it takes advice is not a matter for me. No doubt he will seek to draw it to the attention of my right hon. Friend the Secretary of State for Northern Ireland; I will certainly draw his remarks to my right hon. Friend's attention.

Ms Julia Drown (South Swindon): The millennium year is ticking away and, although we have the technology to get to the moon and to look at the worldwide web on mobile phones, we have not yet tackled the problem of millions of people still dying from a lack of basic facilities and millions more living in abject poverty and poor health. I do not know whether my right hon. Friend saw a recent television programme that showed that 9 million people in India are blind for want of a cataract operation that costs just £15.

One of the issues facing many of the poorest countries is unsustainable debt. I know that the Government have been at the forefront of tackling the problem, but much more still needs to be done. The next G8 summit is in July, so will my right hon. Friend arrange for a debate on the issue before the summit and as soon as possible? All the minds in the House could get together to make sure that this country leads the way and that we and the international community do everything that we can to tackle poverty. As we move into the new century, millions of people should be able to live in countries that have a firm footing for real development in the future.

Mrs. Beckett: I am grateful to my hon. Friend. I know that she takes a great interest in this issue and expresses a concern that is felt deeply in the House and, to some extent, across the House. I accept, of course, her concern about the G8 discussions that will take place in July. I am

grateful for her recognition of how much the Government have done and I assure her that my right hon. Friends the Chancellor of the Exchequer and the Secretary of State for International Development will continue to pursue the issue of alleviation of the debt burden. I cannot promise time for a special debate on the Floor of the House, but the issue is exactly the sort that is debated in Westminster Hall, so my hon. Friend may wish to pursue it there

Mr. Eric Forth (Bromley and Chislehurst): What are the Government afraid of? Why, having set about vandalising our constitution, destroying the upper Chamber and setting up a royal commission to make recommendations, are they refusing to allow or even contemplate a proper debate on the matter in this House? Are they stalling for time? Do they wish to impose a so-called temporary solution on the hapless people of this country for an indefinite period? Or are we going to have, for once, a principled approach from the Government, which will allow the House of Commons to debate the matter and then get on with providing a solution for our Parliament and legislature that will satisfy the people of this country?

Mrs. Beckett: That was very noisy. I am sure that the right hon. Gentleman was here a couple of weeks ago, so he will know that the Government were prepared to have such a debate. We accepted legitimate representations—I do not complain about them at all—that it was better to have the debate on a day when fewer hon. Members were out communing with their constituents and we shall schedule such a debate. Perhaps the right hon. Gentleman did not notice that the debate was originally proposed for the day on which local elections were taking place. However, we accepted the reasonable view that it would be better to schedule the debate for another day, which we shall do.

Mr. Andrew Mackinlay (Thurrock): The Leader of the House announced the City of London (Ward Elections) Bill as private business for 7 pm next Monday. Traditionally, the House has a free vote on private Bills. What will be the position of the payroll vote?

Mrs. Beckett: My hon. Friend points out, quite correctly, that the Bill is private business and it is for individual hon. Members to determine how to vote.

Mr. Paul Burstow (Sutton and Cheam): Yesterday, the Audit Commission published a report on care charges for home care. It found wide, unacceptable variations in the charges levied by local authorities and revealed that one in three councils were charging a sum that drove pensioners below the poverty line. Will the Secretary of State for Health give us an early statement, setting out when the Government will take the necessary legislative powers to direct local authorities to change their charging policies so that they are fair and promote dignity and independence in old age?

Mrs. Beckett: I am sure that the hon. Gentleman knows that the Government have accepted that the system has an unacceptable scale of variation. We are grateful for the Audit Commission investigation, which gives us the facts, as opposed to anecdotal evidence. However, I understand that it suggests that Liberal Democrat councils are among those making high charges. The Government certainly intend to weigh carefully the Audit Commission report which, as the hon. Gentleman rightly says, only came out recently. We hope to make proposals in the summer in a White Paper that will respond to the report of the royal commission on long-term care.

Mr. John Cryer (Hornchurch): Further to the question from my hon. Friend the Member for Upminster (Mr. Darvill) about tomorrow's announcement by Ford, no one is in any doubt that Ford will announce the end of car production in Dagenham. That will be a blow of regional and national significance and a kick in the teeth for a loyal, skilled work force who, only four years ago, were told by Ford's world president that they were among the best in Europe. Will my right hon. Friend assure us that an urgent statement on Ford will be made if our worst fears are realised?

Mrs. Beckett: May I first say, as I did earlier, that I am aware of the importance attached to Ford's operations in that part of the south-east? My hon. Friend says that there are widespread reports of Ford's intention to make announcements over the next couple of days. He will know, as I do, that for 18 months to two years, Ford's chief executives have been making plain the need to restructure their operations across the whole of Europe. Indeed, substantial discussions have taken place over a long period. Of course, I accept that the matter is especially sensitive in my hon. Friend's part of the country. I cannot give any undertakings as to the precise form of any response, but I shall certainly take on board his expressed wish that the Secretary of State for Trade and Industry keep the House informed. My hon. Friend will have noted that there is an Opposition half-day debate next Tuesday, which might provide a vehicle for discussion of the subject. None the less, I shall certainly draw his remarks to my right hon. Friend's attention.

Mr. Stephen O'Brien (Eddisbury): Following the resounding success of the Conservative party in local elections last week, I am sure that the whole House is greatly interested in when we shall have a debate on the health of democratic participation in this country, the effect on turnout and other matters of various voting systems, and, not least, the question of protecting from widespread electoral fraud the postal ballot system in the event of its being extended significantly.

Mrs. Beckett: I certainly take the hon. Gentleman's point. In the aftermath of the elections, we shall evaluate carefully the pilot schemes, although it is my understanding that most, including those involving postal voting, led to increased turnout. I am not aware of any evidence that there was increased fraud, but I am sure that that is an issue that people will raise. Although I am sure that the Conservatives were relieved to have hung on—albeit not especially substantially—to the hon. Gentleman's constituency in the by-election, they would be unwise to ignore both the turnout and the result in Romsey.

Mr. David Chaytor (Bury, North): Does my right hon. Friend agree that the outcome of the non-proliferation treaty review conference that is taking place in New York and concludes next week will have enormous implications for global security in terms of avoiding a new arms race?

[Mr. David Chaytor]

Does she also agree that it strengthens the argument for an early debate on the broad range of foreign policy, in which we can discuss issues of global security, as well as individual points of conflict?

Mrs. Beckett: My hon. Friend makes a strong point and I am grateful to him for, rightly, identifying the wide range and broad sweep of foreign affairs issues, which are a proper matter for discussion by the House. I shall certainly bear his remarks in mind.

Dr. Julian Lewis (New Forest, East): How does the Leader of the House reconcile the answer she has just given her hon. Friend the Member for Bury, North (Mr. Chaytor) with the fact that the most important debate of the year—the armed forces, defence and the world debate—was this year scheduled to coincide with local elections and the Romsey by-election, and last year scheduled to coincide with European elections? Is it not about time that the Government listened to representations of the all-party Select Committee on Defence, of which I am privileged to be a member, which asked for that important debate to be held on a date that allowed Members of Parliament to attend in significant numbers? Will she undertake that such cavalier treatment of the most important defence debate of the year will not occur three times in a row?

Mrs. Beckett: Of course I take the hon. Gentleman's point, but, as a member of the Defence Committee, he will know that the Government try to accommodate the pressures on hon. Members—especially those who are members of Select Committees—their other concerns, their travel arrangements, and so on. He will also recognise that, although he regards the defence and the world debate as the most important defence debate of the year, we—quite rightly—have a fairly large number of defence debates to fit into the schedule each year. We always try to take account of the concerns of members of the Select Committee and other right hon. and hon. Members, but it is not always possible to balance them in a way that suits everyone. However, I take the hon. Gentleman's point that this year was the second time that the defence and the world debate coincided with local elections.

Shona McIsaac (Cleethorpes): Last week, I drew to my right hon. Friend's attention the issue of compensation for distant water trawlermen. A report is being prepared and I am told that it will be available shortly. My right hon. Friend assured me that she would raise with the appropriate Ministers my concerns about the fact that the case has been going on for some time. Has she done so? If she has not, may I point out that our right hon. Friend the Minister of Agriculture, Fisheries and Food is now sitting at the end of the Treasury Bench? She can nab him on the way out; I have already done so today.

Mrs. Beckett: I assure my hon. Friend that I have indeed raised her concerns with the relevant Department. I am very mindful of her anxiety to get a response and the fact that she has raised those concerns continually for some time.

Mr. Peter Brooke (Cities of London and Westminster): Given the number of roles that British forces might have to play in Sierra Leone, why, in her answer to my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson), did the Leader of the House take the view that the House of Commons could make no contribution to the Government's decision?

Mrs. Beckett: I am sorry. I am grateful to the right hon. Gentleman for raising that matter, because if that was the impression that I conveyed, it was certainly not what I intended. I simply meant to say to the hon. Member for Ruislip-Northwood (Mr. Wilkinson), who tends to raise issues in a rather negative style, that although I recognise the proper concern and anxiety of the House both for the welfare of British troops and for the role that they may play in Sierra Leone and elsewhere, I doubt that it will make a material difference to their individual safety at this precise moment whether we are able to discuss the issue in the immediate future or a little later on, when the position is a little clearer.

Of course I accept that it is absolutely right and proper for the House to keep these matters under review, and I am grateful to the right hon. Gentleman for enabling me to set the record straight if there was any doubt about it.

Mr. Andrew Miller (Ellesmere Port and Neston): My right hon. Friend will be aware that while we are on our Whitsun recess we will pass the 10th anniversary of the election of the National League for Democracy in Burma. That democratically elected group has yet to take office, because of the murderous regime that has taken power. An all-party early-day motion will be tabled to commemorate the event, but I hope that an early date can be found to have a debate on the matter, because it is important that we send a very clear message to that regime.

Mrs. Beckett: I understand that my hon. Friend was asking for a debate specifically on what is happening in that part of the world, but he will recognise that, from my point of view, that somewhat strengthens the argument for a general foreign affairs debate. Equally, I am sure that he has not overlooked the fact that we have Foreign and Commonwealth Office questions next Tuesday. I am afraid that I do not recall what is on the Order Paper, but I am sure that he will find an opportunity to raise these issues then.

Mr. Graham Brady (Altrincham and Sale, West): I add my voice to the call by my right hon. Friend the Member for North-West Hampshire (Sir G. Young) for an early statement on mobile phones and their safety, which would give us an opportunity to clear up some of the allegations made in the *Financial Times* yesterday, that the report was selectively leaked in order to give the impression that mobile phones would get an entirely clean bill of health during the auction for the third generation licences, and that Ministers were deliberately kept in the dark until after the auction. It would also give the Government an opportunity to say whether the fact that they are the licensing authority for mobile phones might lead to their having some legal liability should serious medical harm be found at some date in the future.

Mrs. Beckett: I undertake to convey the hon. Gentleman's concerns to the relevant Department. I did not see the *Financial Times* article to which he refers, and I am always a little wary of articles alleging that there is a deep-laid plot. I know that it happens sometimes, but experience suggests to me that it is more often a cock-up than a conspiracy.

Mr. Ian Bruce (South Dorset): If the Leader of the House cannot find time for a debate on Sierra Leone in the coming week, can she ensure that we at least have a statement, and possibly a statement from the Ministry of Defence? I am sure that the House will want to know that HMS Ocean was about to go on exercise with the strike force south, with both NATO and French forces. It seems somewhat strange, considering the overstretch in our armed forces, that it is only British ships, the British Royal Marines and the British Fleet Air Arm that have gone to help, especially considering that all those other forces are sitting there waiting for an exercise and could immediately deploy to the area. When we are working with our allies in this way, we want to know why our allies are not supporting the action that we are taking.

Mrs. Beckett: The hon. Gentleman makes an interesting point. It is something of a compliment to the British armed forces that they are asked to participate, but it is sometimes a double-edged compliment. I will certainly draw his remarks to the attention of my right hon. Friend the Secretary of State for Defence. Although, as I pointed out, it is Foreign and Commonwealth Office questions next week, the hon. Gentleman is asking specifically about the defence implications. I am sure that my right hon. Friend will do what he can to keep the House informed if there are developments.

Mr. Gordon Prentice (Pendle): May I return to the Liaison Committee report, which was described by my right hon. Friend earlier as weighty and far-reaching? It is only 23 pages long and was published two months ago, but it is indeed far-reaching, as it would fundamentally alter the relationship between Parliament and the Executive. She is aware that early-day motion 476, which I tabled, has attracted no fewer than 203 signatures.

[*That this House warmly welcomes the first report of the Liaison Committee, published on 2nd March, which observes that the membership of select committees is effectively under the control of the Whips and that this has led on occasion to long delays in setting up committees at the start of a parliament and in replacing members thereafter and that members have been kept off committees because of their views; agrees that this is wrong in principle; and believes the implementation of the report's recommendations would strengthen parliamentary scrutiny of the Executive to the positive benefit of both.*]

I invite her to be a little more precise about when we can expect the Government's response to that hugely significant, unanimously agreed Select Committee report.

Mrs. Beckett: The report may be only 23 pages long, but any report that calls for substantial changes in the relationship not just between Government and Executive, as my hon. Friend rightly says, but between one hon. Member and another, as well as having substantial implications for the ordering of our debates and for the use of funds in the House, I regard as weighty, however short it is. I accept that it is serious. I am gratified that so many hon. Members have taken a close interest in the contents of the Liaison Committee report. I cannot tell my hon. Friend exactly when we will find time for a debate on the matter. As for when the Government hope to respond to it—soon.

Mr. Desmond Swayne (New Forest, West): Is there any prospect of a debate on participation in the political process, given the worrying reports in this morning's papers that Labour party membership in the Prime Minister's constituency, Sedgefield, has fallen by half since the general election? Will the Leader of the House take the opportunity of such a debate to announce whether there will be an allocation of Short money for what the Deputy Prime Minister on Tuesday night called the real Opposition on the Benches behind him?

Mrs. Beckett: It should be a matter of concern to hon. Members in all parts of the House that there is such a low level of participation and interest in the political process. With regard to levels of party membership, the words "motes" and "beams" come to mind. On the link that people make or do not make between what happens in the political process and what happens in their daily lives, I have long taken the view that it is a great weakness of our democracy that people do not more readily make that connection.

The hon. Gentleman will have observed that one of the things that the Government are endeavouring to do is to make sure that information about the steps that the Government are taking gets across more fully and in a more understandable form than in the past. I understand that the Opposition regard that as re-announcing, double counting, spinning and many other things, which I sometimes fear are designed to obscure from the British people the facts about the difference that a Labour Government are making to their lives.

Mr. James Gray (North Wiltshire): The exceptional medicines fund initiative announced by my hon. Friend the Member for Woodspring (Dr. Fox) this morning would end the cruel practice of postcode lottery medicine, whereby beta interferon is denied to my constituents Julia Eckersley, Kate Sweetman and Sue Brierley. Will the Leader of the House find time for a full debate on the subject of postcode lottery funding and finding a way to end a practice that is condemned across the nation as cruel and heartless?

Mrs. Beckett: Of course I understand the concern that is felt at differences that grew up under the previous Government, and which were to a large extent encouraged by the previous Government, in the way that the national health service operates in different parts of the country. I am glad that the Conservative party is thinking seriously about such matters.

However, I hope that anyone who looks closely at the Opposition's policy and takes on board the exceptional medicines fund will also take on board the fact that they are proposing what I would call a two-tier national health service, except that it is not a national health service at all. For common ailments, including particularly those experienced by the elderly, people would be driven into the private sector. The Conservative policy should be

[Mrs. Beckett]

taken in the round, and I should be glad to think that people are taking it seriously, but I cannot undertake to find time for a debate on it in Government time, although the Opposition may like to find time for one, and we would welcome it.

Mr. Owen Paterson (North Shropshire): On 2 May, in a statement about the demonstration in London, the Home Secretary said that English Heritage, which was responsible for the Cenotaph, had decided not to board it off. Shortly after that I visited the Cenotaph, and had discussions with a senior director of English Heritage.

I am sure that the Leader of the House will join me, and the rest of the House, in congratulating English Heritage and its contractors on the splendid and skilful way in which they have restored the Cenotaph, but, at best, a genuine misunderstanding has occurred. The agents of English Heritage left a meeting with the Metropolitan police on 20 April with the clear impression that the police had told them not to board up the Cenotaph. Alarmingly, during his statement the Home Secretary said:

I was not aware that those decisions were made.—[*Official Report*, 2 May 2000; Vol. 349, c. 25.]

Given that the Cenotaph is a piece of architecture of sublime quality and historical significance to the British nation—indeed, it is a national icon—it is not good enough for the Home Secretary not to have known what was going on. I understand that discussions are in progress with the Met. Could the Home Secretary please come to the House, make a clear statement of what happened during the meetings leading up to his statement of 2 May and, more important, tell us what the policy is for the future, to ensure that a monument such as the Cenotaph is never again desecrated in such a manner?

Mrs. Beckett: Of course everyone in the House and, indeed, the country, condemns the defacing of the Cenotaph—there is no doubt about that—and of course careful consideration is being given to the incident. Both the Home Secretary and the Prime Minister have made plain how seriously they take it.

I have no doubt that those who make the day-to-day operational decisions will consider how they reached their decision in this instance, and also consider its outcome. I doubt, however, that there is any need for the Home Secretary to make a further statement to the House about that particular inquest, or that there is any point in his doing so. I am certain that the lessons have been learned, and will be taken on board.

Mr. Nigel Evans (Ribble Valley): Would it be possible to have a debate on policing? Many Members on both sides of the House were very angry about the antics of the mindless thugs who vandalised the Cenotaph and Churchill's statue. May I say how satisfied I am that one of those vandals is now serving a prison sentence?

Many annual events, and one special celebration, will take place this summer. I understand that the anarchists aim to target those events as well. A debate on policing would allow us to support the police, thus ensuring that the families with children, and elderly people, who will turn out in their thousands for, in particular, that special celebratory event, will not have their special day tarnished.

Mrs. Beckett: Of course I understand the hon. Gentleman's concern about threats to future events—especially threats to peaceful celebrations by ordinary citizens—and of course I accept that it is right for the House to keep matters of policy under review. I think, however, that our best way of expressing support for the police is often to convey that general support and concern, and to encourage the police to take such matters seriously—as they do—while trying to avoid second-guessing the difficult decisions that must be made by those on the front line.

Mr. John Bercow (Buckingham): May we have an urgent statement or debate on the alarming admission this week by the Home Office that no fewer than 11 prisoners have been accidentally released into the community without having served the minimum sentence required by the Crime and Disorder Act 1998? Is the right hon. Lady aware that those 11 include people convicted of robbery, drug dealing, drug trafficking and sex with a minor? The latter offender was sentenced to six months, and served only five weeks. Is this not a national scandal, which sends an appalling signal to worried law-abiding folk the length and breadth of the United Kingdom?

Mrs. Beckett: With respect, no. It is not a national scandal; it is a very unfortunate administrative problem. The hon. Gentleman will, I am sure, recall that there has been a series of difficulties in that area of prison administration. Some people served longer than they were supposed to, and it would appear from the reports to which he drew attention that others have been released a little earlier than they should have been.

The Home Secretary is taking the issue seriously, and is engaged in discussions with the Prison Service to try to ensure that such incidents are not repeated. I will draw the hon. Gentleman's remarks to his attention, but I do not think anyone can doubt that he is as determined as anyone else to ensure that offenders are where they properly should be.

Sir Patrick Cormack (South Staffordshire): Will the right hon. Lady reconsider her refusal to allow the House to debate foreign affairs in general and Sierra Leone in particular in the next fortnight? There is widespread anxiety about Sierra Leone. The Government have swamped the House with legislation and have thus created an imbalance. Parliament cannot debate subjects that the public expect us to discuss. It is ridiculous to pretend that some of the legislation that we shall debate in the next fortnight is more important than the actions of our troops in Sierra Leone.

Mrs. Beckett: First, let me clear up a misunderstanding. The hon. Gentleman is right that I have not been able to announce time for a foreign affairs debate in the next two weeks, although I have taken on board the request for such a debate. He will know that I have announced an Opposition day in the next two weeks, although it is perfectly natural that he should seek a debate in Government time.

The hon. Gentleman claimed that our programme was exceptionally heavy. During this morning's exchange, we have discussed the Liaison Committee report. The table in the report lists the number of Bills and the size of legislative programmes since 1979. If he examines it, he will realise that the Government's legislative programme this year is smaller than those under Governments that he supported.

I have sympathy for one of the hon. Gentleman's points. The Government have had to schedule and provide time for some matters in the legislative programme that are arguably minor and uncontroversial and have enjoyed the support of Conservative Members in the past. He knows that the Government had to do that because of Conservative Members' activities.

Orders of the Day

Common Agricultural Policy

[Relevant documents: European Union Document No. 9311/99, European Court of Auditors special report 2/99 on the effects of the CAP Reform in the cereals sector; the Seventh Report from the Agriculture Committee of Session 1998-99, Outcome of the CAP Reform Negotiations, HC 442, and the Government's response thereto, HC 825 of Session 1998–99.]

Madam Speaker: I have selected the amendment in the name of the Leader of the Opposition.

1.17 pm

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): I beg to move,

That this House takes note of European Union Document No. 6629/00, a Commission proposal on the prices for agricultural products (2000–01); supports the Government's intention to negotiate an outcome which takes account of the interest of UK producers, consumers and tax-payers alike; and also takes note and approves of the action which the Government has taken in partnership with the industry to launch the new Action Plan for Farming to ensure that British agriculture is more sustainable, dynamic and diverse, and more consumer and market-orientated.

We last debated agriculture on a Government motion in October. A great deal has happened in six months. Ambitious rural development plans have been devised, the Food Standards Agency has been established and considerable extra public aid has been given to farmers. Three important reviews of agricultural red tape have been completed and the Government have established a new direction for agriculture, supported by a 62-point action plan, which was launched during the Prime Minister's summit in March. The annual debate on common agricultural policy price-fixing arrangements is a good opportunity for the House to discuss the current position in agriculture and prospects for the future.

This is the third year of depressed farm incomes. Times are hard for many whose livelihoods depend on agriculture. The causes are well known and have been much discussed. They include the legacy of BSE, the weakness of the euro relative to sterling, and low world commodity prices through over-supply. In 1998–99, there was record pig production in several member states. That led directly to the over-supply of our market. When that was combined with the economic crisis in Russia and the far east, where demand for pigmeat fell, the inevitable result was low market prices.

The market for sheepskins has also recently collapsed as a result of the economic crisis in Russia and the far east. Skins used to add to the value of lamb. However, sheepskins, which were worth between £7 and £8 two years ago, are now worth only 50p.

I am doing everything that I can to help farm businesses to adapt to new market demands and the evolution of agricultural and trade policy. Only by looking to the market will farming become prosperous, forward looking and sustainable.

I shall set the Commission's price-fixing proposals in context by outlining the key points of last year's Agenda 2000 reforms. The outcome was a success for the United Kingdom, and the final deal represents an important step

[Mr. Nick Brown]

in moving the common agricultural policy in the right direction. The reforms will help agriculture to meet the challenges of further liberalisation of world trade. They provide for a significant shift from price support to more transparent direct payments and, for the first time, an integrated European Union rural development policy has been created.

Agenda 2000 was a success for the United Kingdom and for Europe. European agricultural policy has started to move in a new direction. Member states have agreed to increase the market orientation of their agricultural economies. That is absolutely necessary for a viable European agri-food sector.

Mr. Patrick Nicholls (Teignbridge): The right hon Gentleman clearly speaks with great sincerity, but is not the bitter truth that he, as the British Agriculture Minister, does not set the policy for British agriculture? That is done by the EU. Until this sovereign Parliament can reassert the proposition that British law should prevail when British law and interests conflict with those of Europe, there will be no long-term future for British agriculture—nor, indeed, for the British nation.

Mr. Brown: I do not agree with the conclusions that the hon. Gentleman draws, although he is correct to say that the CAP—and the Council of Ministers, which sets that policy—is an over-arching policy instrument. Much of what I can and cannot do is shaped by the CAP. That is why the debate about reform is so important to those who, like me, believe that our future lies in Europe. The hon. Gentleman's perspective is very different; he looks to leaving the EU as a way forward. That is a fundamental difference between us, but if we start from my premise, it logically follows that we need a CAP that can work for European agriculture. That is why I am so keen on reform.

Dr. Norman A. Godman (Greenock and Inverclyde) *rose—*

Mr. Nicholls *rose—*

Mr. Brown: I give way to my hon. Friend the Member for Greenock and Inverclyde (Dr. Godman).

Dr. Godman: Will applicant nations be able to sign up to the EU-wide rural development policy if their applications are successful? As my right hon. Friend knows, I have long argued that an unreformed CAP will harm the interests of countries such as Poland and other applicant nations.

Mr. Brown: The agricultural aspect is crucial to our ambitions for enlargement. Like my hon. Friend, I believe that a reshaped CAP has an enormous role to play in facilitating the enlargement of the EU. As he knows, discussions between the Commission and the applicant countries continue on that and other issues even as we speak.

Mr. Nicholls: I know that the right hon. Gentleman would not want to misrepresent my views. Will he accept that in no sense is it my position that we should simply withdraw from the EU? I want us to acknowledge the fact that if we cannot achieve a fundamental renegotiation of the terms of our engagement, we could still leave. We must recognise that we will be able to establish terms for our participation in Europe only if we make the point that Parliament must retain that ultimate ability. That is a very different point.

Mr. Brown: I am grateful to the hon. Gentleman for setting out his position so clearly. My objective is to remain in the EU to ensure that we are right at the heart of every negotiation of significance to this country—and, moreover, to add to the value of the EU rather than to stand slightly to one side and criticise it. That is a fundamental difference of approach.

Having welcomed the creation of the second pillar of the CAP, it is also fair to observe that the pressures of EU enlargement and the next World Trade Organisation round will strengthen our case for further reform. As I have often told the House, I attach enormous importance to the second pillar—the rural development regulation—as an appropriate instrument to reform the CAP.

Mr. Nigel Evans (Ribble Valley): With all the changes that are taking place, will there be any light at the end of the tunnel for the dairy sector in this country? As the Minister will know, I have many dairy farmers in my constituency. They are simply no longer making any money. Farmgate prices for milk have been tremendously depressed. What hope can he give dairy farmers that, in the short term, they will be able to turn a profit again?

Mr. Brown: Only yesterday, I met a group of dairy farmers and their Member of Parliament, my hon. Friend the Member for West Carmarthen and South Pembrokeshire (Mr. Ainger), to discuss precisely those issues. The hon. Gentleman is right to say that the price that farmers are receiving for their milk—it is often below the cost of production—is the key precipitator of the crisis in the sector.

The hon. Gentleman will know that, following the Prime Minister's summit on 30 March, every instrument that Government could use to help dairy farmers was proposed, including the lifting of the dairy hygiene charges, the drawdown of all agri-monetary compensation and the lifting of the weight limit on the over-30 months scheme. In addition—this gets to the heart of the hon. Gentleman's perfectly proper question—there is the issue of relations within the supply chain. I use my office as far as it is proper for me to do so to persuade others further down the supply chain that they have a vested interest in the security of the chain and in the profitability of the producer suppliers of the product—the more so as we are dealing with a fresh product, and substantial investment is necessary at each stage in the chain.

Several hon. Members *rose—*

Mr. Brown: I will take some questions on that issue and then move on.

Mr. Alan W. Williams (East Carmarthen and Dinefwr): On the dairy sector, my right hon. Friend mentioned the lifting of the cap on the over-30 months scheme. What is the latest position on that in negotiations with Brussels, and when will it be implemented?

Mr. Brown: As my hon. Friend knows, it is a European Union instrument, although it is the UK taxpayer who will

pay the extra costs of the proposed change. We are in discussions with the Commission, and I hope to be able to make an announcement soon.

Mr. David Drew (Stroud): Does my right hon. Friend agree that at least part of the problem is the intervention milk price equivalent. That is a floor price; it is not the price that the industry should be setting for the exchange of milk. If the whole industry realised that, including the supermarkets, it would make a significant difference to the price paid to individual farmers.

Mr. Brown: I understand what my hon. Friend is saying. As he knows, I have considerable sympathy with that view—but these are, after all, private sector arrangements, so there is a limit to what it is proper for me to do. I am doing everything that I can to help the dairy sector, and dairy farmers in particular.

Mr. Richard Livsey (Brecon and Radnorshire): The Minister referred to the food chain. Has he noted remarks in the agricultural press by representatives of some stages within the food chain that the supermarkets are intent on buying at the lowest possible price from primary producers, regardless of any farm assurance schemes, whether they be for milk or other products? That is a major problem that he has to overcome.

Mr. Brown: In an industry such as the dairy industry, which is sophisticated and investment-intensive right the way through the supply chain, from producers to retailers, such a policy would be short term and foolish. Conditions for dairying in this country are ideal; I do not mean just climatic and agricultural conditions. The pattern of consumption in this country is different from that in the rest of the European Union. To allow the industry to be diminished for short-term considerations that will not endure would be very short-sighted.

That is a point that I make to all my Department's partners. With the Food Standards Agency being set up as a separate agency, the industry focus in my Department is thrown into sharp relief, so I make the point to every partner that we have, all through the chain. I get a good reception for what I am saying, but I think that it would be dangerous for me to do more than that.

I turn to the price-fixing proposals. The Agenda 2000 agreement set prices for a number of commodities on a multi-annual basis. For that reason, the Commission has made proposals this year for only modest changes in prices relating to cereals, silkworms, pigmeat and sheepmeat, rice and sugar.

To remove the need for annual fixing, the Commission proposes to transfer the legislative basis on which the changes are made to the basic Council regulation. The UK Government acknowledge the common sense of all that and give the Commission our support. However, I am disappointed that there is no provision for a cut in sugar prices. Support for sugar is increasingly out of line with what is available for other arable crops. The case for a price cut is strong.

On rural development, as well as the important move away from price support, Agenda 2000 introduced the rural development regulation which provides for the first time an integrated EU rural development policy. That is the way forward for the EU.

The regulation gives us a significant opportunity to move away from traditional commodity support in favour of schemes that boost the broader rural economy, encourage farming practices that benefit the environment and help to modernise and restructure the farming industry.

We have ambitious plans for implementing the regulation. Over the next seven years, the Government are proposing expenditure of more than £1.6 billion on the England rural development plan—an increase of 60 per cent. over the period. This will enable us to provide increasing support for agri-environment and farm woodland schemes, continued support for hill farming and support for energy crops, and to introduce a number of new schemes to help rural communities. Several of the new schemes will help the process of diversification and help increase competitiveness.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): The Minister was careful to refer to England. What is he proposing for Wales?

Mr. Brown: There is a separate plan for Wales, which is discussed by the Welsh Assembly and the Welsh Agriculture Minister. Responsibility for this matter is devolved, and the competent Minister is in the Welsh Assembly. I assure the hon. Gentleman that there is close co-operation between my Department and the agriculture departments in the devolved territories.

The hon. Gentleman has asked about the division of the moneys. It is complicated, but it was done proportionately. He is concerned mostly with hill farming, and the division of the money has been done in terms of the proportion of hill farms, rather than any other measurement. One might take the view that the settlement disproportionately favours Wales. I do not take that view; the settlement was fair, as the money was for hill farming.

Mr. Lembit Öpik (Montgomeryshire): Given that farmers will be expected to pay an increasing proportion of the money spent on rural development plans, will the Minister assure me that they are being involved in the design of the plans?

Mr. Brown: Comprehensive discussions have taken place with farmers' leaders, and I did my best to consult individual farmers for a whole year as the plan was being devised. I accept that modulation—which I believe to be the best way forward—is controversial in some quarters. However, for every pound that is modulated in England, Scotland, Wales and Northern Ireland, there is an extra pound from the Treasury. No part of the UK can lose out overall, and UK agriculture as a whole gains. Within that, some individual businesses will be beneficiaries and others will be losers. There is a redistributive effect, and I have paid careful attention to that in devising the England scheme—for which I am responsible—to make sure that there is no disproportionate redistribution between the English regions. The allocation within England has taken careful account of that.

Several of the new schemes will help the process of diversification and increase competitiveness. We plan to reintroduce an expanded processing and marketing grants scheme. A new rural enterprise scheme will promote rural development on and off the farm. Government aid will

[Mr. Brown]

support the development of energy crops. Vocational training for people in farming and forestry will broaden the skills base and support the delivery of the rural development plan's objectives.

On 30 March, the Prime Minister, ministerial colleagues and I met farming and food industry leaders from throughout the UK to agree a strategy for the future of agriculture. The aim was to chart the way forward in the context of the current difficulties in the sector. An enormous amount of work across Government and in the private sector went into preparing for that summit. I am grateful to colleagues in other Departments, to their officials and to those in the devolved Administrations.

The result is an action plan for farming, supported by more than £200 million in new Government expenditure. The action plan contains 62 measures to support the Government's long-term agriculture strategy. We are working hard to achieve the goals set out in the action plan, and we have already made good progress.

We have notified the Commission of a number of new state aids and the agri-monetary aid that we intend to pay to the beef, sheep and dairy sectors. By the end of this year, the Government will have paid more than half a billion pounds in agri-monetary compensation since coming to office.

Mr. Huw Edwards (Monmouth): Will my right hon. Friend give way?

Mr. Brown: I hope that my hon. Friend is not going to ask for more.

Mr. Edwards: Will my right hon. Friend tell the House how much was delivered in agri-monetary compensation under the Conservative Government?

Mr. Brown: The facts speak for themselves: more than half a billion pounds under us; not a single penny under the previous Government.

Mr. Tony Baldry (Banbury): Does not the intervention by the hon. Member for Monmouth (Mr. Edwards) show how little Labour Members understand? Did milk prices ever collapse under a Conservative Government, as they have recently? The Minister has given details of many interesting schemes, but will he tell us how much money the Government's actions will put into the pockets of dairy farmers—for whom milk prices are at their lowest level since the Domesday book was compiled?

Mr. Brown: Going back to Domesday is probably going a bit far. It is also claiming quite a lot for the previous Government to take credit for the shifting terms of trade. If the hon. Gentleman is making the point—it is a perfectly fair point to make—that when sterling is weak, the terms of trade are advantageous to agriculture as a sector, he is correct. However, I should also point out that when the international markets were selling sterling, interest rates were increasing to 15 per cent. It is fair to point out that at the heart of the current difficulties in the dairy industry are, at least in part, difficulties with the terms of trade—the strength of sterling and the weakness of the euro.

The Government, however, are doing absolutely everything that we can with the instruments directly under our control—including agri-money, dairy hygiene charges and the weight limit on the over-30 months scheme—to give what help we immediately can to hard-pressed dairy farmers. That is a fair response to what I acknowledge is a difficult position. I have also said that I am using my office, as much as it is proper for me to do, to try to facilitate a solution to the difficulties within the supply chain.

Mr. David Heath (Somerton and Frome): The issue of agri-monetary compensation is important, and I am grateful to the Government for doing something about it, however belatedly and partially. What is the long-term solution on agri-monetary compensation? It is clear that the current arrangements will not last indefinitely, and that there will be pressure on other European Union member states, as members of the eurozone, to remove agri-monetary compensation. What is the British solution to that, and how can it be disentangled from the Fontainebleau arrangements, which are getting in the way of providing proper support for the British agriculture industry?

Mr. Brown: The Fontainebleau arrangements are a complicating factor in all this. As I have said repeatedly to the House, when agri-monetary compensation is discretionary rather than mandatory, I am competing with other demands for public expenditure, effectively from the domestic Treasury, in order to make those payments. Of course there is a debate within Government about priorities.

The future for the current agri-monetary regime is time-limited, as the hon. Member for Somerton and Frome (Mr. Heath) rightly said. The current scheme spans three years, with half the money being allocated for this year. That is the money that we are, in part, drawing down. I believe that next year, one third of the total sum will be allowed, with the final sixth coming in the following year. After that, the scheme comes to a conclusion. It is not a continuing arrangement, so the Government's policy of securing a stable exchange rate and bearing down on interest rates is important.

Mr. Owen Paterson (North Shropshire): The Minister gets away with a lot in debates because he is so generous in taking interventions—

Mr. Brown: I agree with the hon. Gentleman. Thank you very much.

Mr. Paterson: But—there is a but—he has been disingenuous. He has failed dreadfully in his negotiations with the European Union and let down this country's dairy farmers. Why did Italy, Spain, Ireland and Greece get huge increases in milk quota last year, when our dairy farmers got nothing? In his negotiations on beef, why did he get nowhere on calf exports? A good bull calf in France makes £150, but a good bull calf in Shropshire either goes to the hunt kennels for nothing or at best makes £15. He has let down this country's dairy farmers, and he should not hide it with blather about a lot of little schemes. The real money is made from selling milk and calves to customers.

Mr. Brown: Although it is possible to get Conservative Members to make such charges, it is difficult to find dairy

farmers who do so—or at least, they do not do so when I meet them. I am certain that the hon. Gentleman has his own friends who will support him. I agree that the extra dairy quota for Ireland is difficult to justify, but the Irish Government were able to plead an agreement made in the early 1980s—to which the Conservative Government were a party—as the basis for their extra quota. I could not say that what the British Government did in the early 1980s was wrong, even if I thought that it was. All that I could do was negotiate for our country and get an equivalent increase in quota for Northern Ireland, based on the southern Ireland claim. That seemed to be a reasonable response. The idea that we were somehow let down in the negotiations is fallacious.

In any event, the real issue is not extra dairy quota, but the future for dairy quotas. There are only two possible ways forward. One is to lock us into the regime, which would be wrong. The other is to argue for reform, even if we are currently arguing from a minority position. I stand by the proposition that we, together with the Governments of Italy, Sweden and Denmark, put forward for a permanent phasing out of dairy quota over six years. That would give the industry a period in which to depreciate its quota holdings and provide certainty about the longer-term outcome, resulting in a much more market-oriented industry, which is the only real way forward.

When the quotas were introduced in the early 1980s, they were supposed to be a temporary response to a particular market difficulty. The market difficulty has come back, but the response is not helping. We need to think strategically. There is not much difference between the Government and the Opposition on the strategic question.

Mr. James Paice (South-East Cambridgeshire) *rose—*

Mr. Brown: I want to move on and deal with the pig industry scheme, but I shall give way first.

Mr. Paice: I am grateful to the Minister for giving way. I want to take him back to agri-monetary compensation, about which the hon. Member for Somerton and Frome (Mr. Heath) asked. The Minister talked about further tranches of existing money, but is he saying that the Government would not support any further agri- monetary compensation system to take over when the existing one runs out at the end of 2001?

Mr. Brown: I have not said that, but the hon. Gentleman must understand that the circumstances will be pretty difficult, with 11 of the 15 member states in a single currency and three others preparing to go into it. He should think about the circumstances in which such a scheme would be negotiated. It is better to pursue our current policies to stabilise exchange rates so that currency variations impact less on agriculture.

We are trying to support the pig industry and secure its long-term viability through the pig industry restructuring scheme. The issue is under discussion with the Commission, as well as with the industry and other interested parties. I know that the House will be interested in this, because right hon. and hon. Members have often raised the plight of the pig sector.

The scheme is worth £26 million in the first of three years. It will have two main parts: an outgoers element is aimed at those who wish to leave pig farming; an ongoers element is for those who wish to remain in the pig industry and restructure their businesses. We hope to introduce the outgoers element of the scheme in July this year. It is my intention—if I can—to backdate the scheme to June 1998 so that we can provide some help for those who have already left the industry.

We have also notified the Commission of our plans to provide funding for farmers to receive specialised business advice. I am pressing the commission for a rapid response to all the notifications that I have referred to so that we can act quickly to introduce the new measures.

Legislation to remove dairy hygiene inspection charges in England, which I referred to yesterday, was put in place yesterday. Parallel action is in hand to remove the dairy hygiene inspection charge in Wales shortly, but that is a matter for the Welsh Assembly. When that has happened, there will no longer be a charge for such inspections anywhere in the United Kingdom.

My Department is working with the Department of the Environment, Transport and the Regions to ensure that planning regulations, and their implementation, are flexible to local needs. It is essential that planning laws are compatible with opportunities for the farm business diversification that is already taking place, and that will be further facilitated under the new rural enterprise scheme. I accord great importance to that, because it would be discordant for me to favour diversification but for the planning rules to thwart it.

Mr. John Townend (East Yorkshire): I hoped that the right hon. Gentleman would be saying rather more about the pig industry. Can he envisage a time in the foreseeable future when our pig industry will be able to compete on a level playing field with its competitors in Europe, with the same animal welfare and hygiene overheads as our competitors? There seems little likelihood, in the foreseeable future, of our competitors having the same costs imposed on them as we have imposed on our pig industry.

Mr. Brown: Both the animal welfare imposts on the industry—the stall and tether bans and the meat and bonemeal restrictions—are unique to the United Kingdom. The legislation to put those measures in place was introduced under the previous Government. I make no complaint about that—

Mr. Townend: I do.

Mr. Brown: The hon. Gentleman does, and no doubt he did at the time. However, these matters are not as party political and partisan as he might imply. Better news is that the price in the marketplace is crawling back to what the industry regards as a break-even point. That does not get the industry out of all its difficulties, of course, because there will be residual debts from the prolonged recession in the sector. However, it offers some hope, and the measures that the Government are taking now and have taken, particularly on the marketing side, to help the industry through, with the support and encouragement of Members of Parliament from all sides of the House, have undoubtedly helped.

Throughout the cycle, there have been points at which the domestic industry has been able to command a premium in the marketplace over the European Union

[Mr. Brown]

price. I believe that we should focus our attention on that market-based solution and on what help we can legitimately give within the state aid rules. That is precisely what I am trying to do.

That is not all that I am trying to do, however. The Government will continue to explore other ways in which we can develop the action plan to help the industry in the short term. I can announce today that the Inland Revenue is offering to join with the National Farmers Union to increase awareness of the assistance available to farming families through the working families tax credit. Many farmers, like many other hard-working families, stand to gain from the working families tax credit. It is important that those who are eligible claim their entitlements in full.

Government action has been matched by initiatives from the farming and food industries. The Institute of Grocery Distribution is taking the lead on developing a code of practice for collaborative and constructive working in the food supply chain. That is having a tangible effect on my efforts to get the food chain joined up.

The NFU has developed a new British farm standard, the "tractor mark". The mark has the support of major retailers and they have agreed to use it, to identify clearly to customers produce that meets the high standards of British farm assurance schemes.

Mr. Hilton Dawson (Lancaster and Wyre): Does my right hon. Friend accept that there is wide acknowledgement that the Government are doing everything that they can to promote high-quality British produce? Are we getting the same commitment from the food processing industry and supermarkets? My right hon. Friend seems to have had constructive discussions, but when will we see real action from those important sections of the industry?

Mr. Brown: My hon. Friend makes his point forcefully and well. The same point was made to me by farmers in his constituency when I met them recently. I try, as much as the boundaries of my office allow, to make these points to processors, retailers and distributors. The Ministry is the sponsoring Department for the entire supply chain, and I want the consequent responsibilities integrated within it, to the benefit of all.

I shall now say something about the red-tape review. Farmers say to me time after time that the burden of regulation is one of the most difficult things with which they have to cope. They go on to bet that others do not have to cope with that burden in the same way. Other Agriculture Ministers all make the same point on behalf of their farmers. It seems that it is right to bear down on regulations that are a burden to farming. The three regulatory reviews launched towards the end of last year made 107 recommendations, of which the Government accepted 98 straight away. I know that it will be of interest throughout the House that one of the most far-reaching recommendations relates to the computerised administration of CAP schemes. The Government have accepted the working group's finding that computerised administration could offer a radically improved service for farmers and significant savings to the taxpayer.

The Government are considering the issues and no final decisions have been made. I shall set out my four key objectives. First, I want to offer improved services to farmers, traders and other stakeholders. Secondly, I want to strengthen my Department's regional policy presence, which will mean building closer links with the Government regional offices. Thirdly, I want to ensure that the implementation of rural development policy has a strong regional focus. Fourthly, I want to make the best use of available technology in administering CAP schemes.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Will my right hon. Friend give way?

Mr. Brown: Yes. I know that my hon. Friend has a constituency interest.

Mrs. Dunwoody: My right hon. Friend has been extremely understanding and sympathetic. I know that he understands the worry in my area about the problem of farmers and information technology, especially in relation to completing forms—forms on which a farmer's entire income can depend. Can he assure me that we shall try to resolve the difficulty when there is no civil servant to give direct advice to the farmer at the point of use?

Mr. Brown: Although we have accepted the principle, we have not yet agreed to a specific proposal. The matter is under active consideration. Before embarking on any change, I want to do two rather obvious things. First, I wish to ensure that the proposal has been as robustly tested as possible. Secondly, I want to ensure that we have given every consideration to my Department's regional interface with farmers, to which they attach so much importance and about which I continue to hear complimentary remarks from individual users of the regional service.

Mr. Tim Collins (Westmorland and Lonsdale): May I take the right hon. Gentleman back to the second of his four points—greater co-operation with the Government regional offices? Is that a code that means shutting down the existing MAFF regional offices and merging them into the overall Government system? I can assure the right hon. Gentleman that my constituents find the service that they get from Carlisle extremely useful. The people at Carlisle understand Cumbria and can explain the problems to farmers in that area. If the service is transferred to Manchester, my constituents will not be remotely as happy, and they will be much worse served.

Mr. Brown: I am not certain that that would be a good idea. The direct answer to the hon. Gentleman's question is no. It is perfectly possible to integrate my Department's policy-making responsibilities more closely with the work of other Government offices, particularly those for the regions, without physically moving every MAFF employee to—to use the hon. Gentleman's example—Manchester. That would be an expensive and unnecessary solution to the problem. The reason why the regional services centres are not located alongside other Government services in the regions is perfectly rational. They have a different, rurally based client group. There is a strong case for paying particular attention to that factor as we consider these matters.

Dr. Godman: When my right hon. Friend discusses closer integration and regional offices, am I right to think that he is talking only about England? It is likely that

the Northern Ireland Assembly and the Executive will be reinstituted on or about 22 May. If the Minister in Northern Ireland, who has a lot of catching up to do, seeks an early meeting with my right hon. Friend, will he accede to such a request? Does he intend to follow reinstitution of that Assembly by holding regular meetings with Ministers from Northern Ireland, Scotland and Wales?

Mr. Brown: I have regular formal meetings with Ministers from the devolved administrations, the last of which happened only a few days ago. A good working relationship exists among Ministers. When Brid Rodgers was Minister in the devolved administration in Northern Ireland, we developed a good working relationship, and relations between officials are excellent. I am involved in several issues of importance to Northern Ireland. Although the matters that we are discussing at the moment apply only to England, because they affect the regional offices, there is an Intervention Board dimension, which I discuss closely with devolved Ministers, who, like me, are stakeholders in that board.

Mr. Paice: As others have said, the Minister is being extremely courteous and generous in giving way. May I pursue him on the point about the regional offices? His rhetoric of the last few minutes appears to support the importance of contact between his officials and farmers, particularly when, as the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) said, they produce for checking forms that relate to large subsidies. There is widespread concern about the PricewaterhouseCoopers report on the future of the offices. It is widely believed in the farming industry that the Minister plans to close some offices. Can he tell us what his response will be to the report, and how he will maintain the interface that he rightly values?

Mr. Brown: I intend to maintain a regional interface with those who look to the Ministry, and to enhance our involvement in Government policy work at regional level. That is perfectly rational, not least because I set great store by the second pillar of the common agricultural policy. Rural development regulation schemes will clearly have a regional interface—it would be odd if they did not.

I will not set out my conclusions today, for the simple reason that I have not come to any yet. I am considering what has been said to me—not the principles, because they seem sound, but their practical application. If we are to have change, we must ensure that it is measured and rational, and delivers clear benefits to public administration and to our client groups. Those are my objectives.

I have received representations from the hon. Gentleman, but have also received representations from the right hon. Gentleman who has the Northallerton office in his constituency. Out of kindness to the hon. Gentleman, I should tell him that they were not the same representations, and he may wish to pause and have a word with the Leader of the Opposition.

Mr. Andrew George (St. Ives): Does the Minister accept that there is widespread frustration and concern among farmers because when they return forms—particularly integrated administration and control system forms—under present MAFF regulations and systems they find it difficult to reach a satisfactory resolution when there is a dispute between them and the Ministry? Does he accept that the farming industry wants, needs and deserves an independent appeals system to deal with the continuing disputes between farmers and MAFF officials? Those disputes remain unresolved, and we need an independent system.

Mr. Brown: That was one of the ideas that came out of the review group; I am giving it active consideration. However, the case against it is that the parameters for independent decision making are not as wide as is commonly believed—because the rules are EU-wide and thus fairly rigid, so as to avoid the exercise of national discretion that could lead to a distortion in the working of the schemes. However, there is a case to be considered, and I am considering it.

Agriculture is going through a deep recession. The Government acknowledge that. We have worked hard to help farmers through to better times. We have done much, but there is much more to do. Ultimately, profitability can be found only in the marketplace. Most farmers accept that—as do most hon. Members—although it sometimes seems that Opposition Front-Bench Members have not grasped the point. They tend to present every problem as though it came from Brussels—*[Interruption.]* I am sorry—every problem comes either from Brussels or from me—*[Laughter.]* From that response, I assume that Opposition Members take that as a fair summary.

The Opposition have not learned much from the Conservative Government's petulant and futile "war" on Europe. They accused the European Commission of forcing farmers to grub up hedgerows. They claimed that the use of rams' horns in walking sticks and shepherds' crooks was under threat from Brussels bureaucrats. They warned that lamb chops were going to be outlawed, and that the beef-on-the-bone ban was to be reimposed. The unfortunate fact for the anti-Europeans on the Opposition Benches and elsewhere is that none of that has happened—nor, given the Government's constructive engagement with Europe, was it ever likely to happen.

Conservative spokesmen have repeatedly tried to stir up scares about the safety of imported food. That comes from the party that presided over a succession of food scares, culminating in the national tragedy of BSE. Let me make it clear: the Labour Government will not hesitate to ban any food that is unsafe. The protection of the public comes first. However, we shall not start a Tory trade war with our European partners, thus jeopardising our £10 billion annual food exports and the jobs in the constituencies of almost every Member that depend upon them.

It is truly ironic that the party that claims to care about rural Britain has not made a single constructive contribution to help British farmers through difficult times. The hon. Member for South Suffolk (Mr. Yeo) suggested that we take unilateral action on food labelling. However, that would leave the UK open to legal challenge, with the taxpayer footing the bill for compensation.

The hon. Gentleman suggests banning foreign imports. That would be a breach of our legal obligation to ensure the functioning of the single European market. In case hon. Members think that is merely a theoretical point, I remind the House that a previous Conservative

[Mr. Brown]

Agriculture Minister cost British taxpayers £1.5 million following an unlawful ban on French turkey meat in 1981. It is not even a new idea—it is certainly not a good one. Tory plans for state aids to cover the costs of BSE borne by the pig sector would be ruled unlawful, and any money paid—plus interest—would have to be recovered from farmers.

That is the case against the Conservative proposals. As for the agri-monetary aid promised by the Leader of the Opposition at the annual conference of the National Farmers Union on 2 February, that has been exceeded by the Government's most recent package of agri-monetary aid for dairy, beef and sheep farmers.

The Government understand the problems of British farming, and are doing a lot to help. Over the past few months, I have set out a policy to help agriculture meet the challenges it faces. I have also provided short-term help to the hardest hit: greater market-orientation; a more rational CAP; expanded rural development measures; a joined-up food chain; and regulation that is proportionate to risk. Those are the policies that British farmers are asking for. Those are the policies that will bring much needed profitability back to the industry. I commend them to the House.

2.5 pm

Mr. Tim Yeo (South Suffolk): I beg to move, To leave out from "(2000–2001);" to the end of the Question, and to add instead thereof:

"deplores the failure of the Prime Minister and the Minister of Agriculture, Fisheries and Food either to secure meaningful CAP reform on behalf of consumers, taxpayers, farmers and the environment, or to defend Britain's interests in other EU negotiations; condemns the false claims made about the value to farmers of the Action Plan for Farmers; notes the dramatic and continuing fall in agricultural employment and farm incomes; and calls on the Government to address with urgency the crisis in Britain's countryside."

I welcome the debate and I welcomed—at least until the last two minutes—the Minister's characteristically courteous approach. It is possible to admire the style of his speech without agreeing with all its contents. I thought that he lapsed a bit towards the end; he should change the special adviser who inserted the uncharacteristic and entirely inaccurate jibes.

I wish to correct the Minister on a point of fact. When my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the Leader of the Opposition, spoke at the annual conference of the National Farmers Union, he suggested that all the agri-monetary compensation available for grazing livestock should be claimed. I do not believe that that has been done, so the Minister is wrong to say that he has done more than my right hon. Friend suggested at the conference. I shall return to the issue of agri-monetary compensation shortly.

We have had several debates on agriculture in Opposition time in the past two years, but it is a rare event to get a whole day on the subject in Government time. In fact, the last half-day debate, which was held in October, was not, as the Minister suggested, held on a Government motion; it was a Liberal Democrat motion. There was no annual debate on common agricultural policy price fixing last year, so this is a valuable, if unusual, occasion.

Mr. Paterson: Does my hon. Friend agree that the Minister's speech descended into the disgracefully churlish statement that no constructive ideas came from Conservative Members? Will my hon. Friend comment on the fact that I sent the Minister a letter on 15 December last year—I send him numerous letters—and sent a reminder on 18 February but his colleague, the Minister of State, replied on 26 April? The letter that I sent was from the managing director of Fullwood, the third largest manufacturer of milking equipment in the world, who deserved an early and reasoned reply to some sensible and practical suggestions on how to improve the supply industry to the dairy industry.

Mr. Yeo: My hon. Friend has obviously been treated with disgraceful discourtesy by the Minister, and, more important, so has the senior industry figure whose suggestion he relayed. When he winds up the debate, my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) will point out that several of the proposals about which the Government have boasted today and on recent occasions were contained in the policy document published by the Opposition in April 1999. Far from our not making constructive suggestions, some of those that we have made have happily been picked up. I hope that, by the end of the debate, more of them will be adopted by the Government.

The debate is urgently needed. A year ago the Heads of Government of European Union member states produced an utterly feeble package of CAP reforms. As a result of their failure, the process of European Union enlargement may now be impeded. Meanwhile, the crisis that is destroying Britain's farmers and damaging the British countryside worsens steadily month by month. Farm incomes have fallen by three quarters since the Labour Government came to power and thousands of jobs have been lost.

A year ago, the Agenda 2000 talks offered a chance of fundamental CAP reform—a chance that, regrettably, was thrown away. In its seventh report entitled "Outcome of the CAP Reform Negotiations", the Select Committee on Agriculture said that

> we can only regret the failure of the Council of Ministers to face up to the need for radical reform of the CAP.

Judging by what the Minister said today, not a great deal is likely to change. The Select Committee added:

> We ourselves are deeply dismayed that even the modest hopes of the Commission could not be brought into fruition. This does not augur well for future discussions on CAP reform which are made all the more inevitable by the failure of certain member states to address the realities of the pressures for liberalisation. This is a bad deal.

The consequences of that bad deal will be felt by existing EU members and more widely. Prospects for the six applicant countries—Hungary, Poland, the Czech Republic, Estonia, Slovenia and Cyprus—are threatened by European Union Ministers' failure to grasp the nettle. Admitting those countries would add substantially to the current cost of the CAP budget. Who will bear that burden? It is simply not acceptable that it should fall entirely on existing contributors to the EU budget.

Quite apart from the question of enlargement, CAP reform is needed for other reasons. The CAP is failing consumers, taxpayers and farmers. Despite the horrendous cost of its huge spending which, according to the documents that we are considering, is now about £25 billion a year, the income of British farmers is at its lowest in real terms since before the war.

Taxpayers, too, have grounds for complaint. Despite constant promises, the cost of the CAP never seems to fall. Too much money is wasted, and there is the scandal of subsidies for tobacco farmers, costing taxpayers hundreds of millions of pounds a year. Any policy that pays people to produce a product which is considered so dangerous to human health that it cannot be advertised legally and whose quality is so low that much of the output has to be dumped in the developing world, ought to be condemned as immoral, incompetent and ridiculous. However, such a policy has been part of the CAP for many years.

Consumers, too, have been let down by the CAP. Food sold in EU countries is artificially expensive. Indeed, the total cost to a typical British family of four of higher food prices and taxpayers' expenditure on the CAP is estimated to be £12 to £15 a week. That does not include an extra £1 a week, which is the cost of expenditure on national agricultural policies.

The environment suffers because of the CAP. Even after last year's reforms, English Nature, the Government's statutory adviser on nature conservation, concluded:

> The Agenda 2000 agreement on CAP reform was very disappointing for the environment. The Commission's original proposals did not go far enough for the environment and the final agreement retreated significantly. The overall effect will be that wildlife will continue to be seriously damaged by the intensive farming practices that the CAP supports.

Mr. Nick Brown: That quote is fair. However, along with other environmental groups, English Nature revised its views following our December announcement on how we intend to make use of the second pillar of the agricultural policy, which is an important component of our debate.

Mr. Yeo: I welcome the rural development regulation, and shall deal with it in a moment. However, it remains true that many practices that the CAP continues to encourage damage the environment.

My hon. Friend the Member for North Shropshire (Mr. Paterson) referred to the dairy sector, an examination of which illustrates just how bad a deal the Government got for Britain last year. At the Heads of Government summit in Berlin last March, the Prime Minister accepted a proposal to freeze mainland Britain's milk quota for six years, but agreed to allow Ireland, a country which is self-sufficient in dairy produce four times over, an immediate increase in its quota.

It is all very well for the Minister to say that he wants quotas to be phased out—indeed, there is nothing between the Government and the Opposition on that—but, given that that process will take many years, it is disgraceful that the Government agreed to a proposal that will give our nearest neighbour a chance to go on undercutting our farmers. That decision dealt a severe, disastrous blow to hard-pressed dairy farmers, who have been denied a chance to supply the demands of the home market, despite having some of the best dairy-producing land in the EU.

As the Minister acknowledged, dairy farmers are still struggling with a farmgate price for milk that leaves many of them trading at a loss. Those are precisely the circumstances in which any responsible Government would have resisted the Berlin proposal. While still on the subject of dairy farming, I reiterate Conservative Members' regret that the Government insisted last summer on breaking up Milk Marque, the largest dairy producers' co-operative in the country. That policy weakened the position of the primary producer and was followed for no reason but dogma.

Mr. Brown: Let us be clear about this. I have no direct ministerial responsibility for the matter, which is the responsibility of the Secretary of State for Trade and Industry. Is the hon. Gentleman saying that the Opposition believe that the Secretary of State for Trade and Industry should set aside the views of the competition authorities?

Mr. Yeo: The Minister should have insisted that the recommendation was made in the light of up-to-date information. The report on which the Secretary of State for Trade and Industry based his wrong decision was founded on hopelessly outdated information about the state of the market and Milk Marque's share in it. If the Minister had been doing his job, he would have made sure that proper representations were made to the Department of Trade and Industry, drawing attention to shortcomings in the report by the Monopolies and Mergers Commission.

Mr. Öpik: Does the hon. Gentleman agree that Milk Marque was a friend of small producers, who continue to be concerned about who will defend their interests in the supply market?

Mr. Yeo: I entirely agree, which brings me to my final point on the matter. The Minister suggested that dairy farmers were not concerned about such issues, so I would welcome the opportunity to introduce him to some small dairy farmers who are profoundly concerned about them. To be fair to the Minister, he has tried to get around the country and meet farmers. Having done so and listened to many of them, it is astonishing that he should now claim that dairy farmers are not anxious about the matter.

Mr. Nick Brown: I have not said that dairy farmers are not concerned. They tend to be not as abusive to me as members of the Conservative Front Bench.

Mr. Yeo: It is not abusive to point out that small dairy farmers have been directly disadvantaged by the decision of the Minister and his Cabinet colleagues. The Minister may not welcome that, although I am glad that he has backtracked on comments that he made about half an hour ago. Nevertheless, many small dairy farmers will read our exchanges with dismay.

Dr. Gavin Strang (Edinburgh, East and Musselburgh): The hon. Gentleman said that Milk Marque was a friend of small producers. However, if it was, it was not nearly as good a friend to those people as the Milk Marketing Board. Does he not remember that a Labour Government negotiated arrangements to ensure that the board continued and that a Conservative Government abolished it in the face of Labour opposition?

Mr. Yeo: I am sorry that I gave way to the right hon. Gentleman. However, once again, we see the tendency of Labour Ministers and Back Benchers to fight again over matters that were concluded years ago. Conservative Members are anxious to do what they can to ensure that dairy farmers' prospects are improved in 2000, and put right some of the damage done in the past few months.

Mr. Paterson: Does my hon. Friend agree that it is tragic that the Minister does not understand that dairy

[Mr. Paterson]

processing in Europe is twice as efficient as it is here because companies such as MD, Parmalat and Arla are successful dairy co-operatives that have gone on to processing? Smashing up Milk Marque has set back the prospects of British co-operatives going into processing by about five years.

Mr. Yeo: My hon. Friend is quite right. Impeding the process of vertical integration in that industry is not in the interests of farmers, processors or, indeed, consumers.

It is common ground that fundamental and far-reaching reform of the CAP is necessary to prepare for EU enlargement. Even if it were not, World Trade Organisation negotiations will, no doubt, force further reforms.

Farming has to move closer to the marketplace, even though it cannot go all the way as long as the United States continues to bail out its farmers with huge amounts of taxpayers' dollars. Europe cannot sensibly operate on a completely free-market basis while the world's richest country declines to do so. It is also common ground that support in future will not be confined to production-related payments. In that respect, we endorse the principle of the rural development regulation.

CAP reform will also provide an opportunity to examine whether some decisions currently taken at EU level would be better taken by the Governments of individual member states. The sole purpose of any change must be to make the policy work better in the interests of consumers, taxpayers, farmers and the environment.

Changes are needed, not only in the practical policies of the CAP, but in the culture and philosophy within which those policies are implemented. Too often, whether it takes place in Brussels, Whitehall or even some regional office, the interpretation of the rules is hostile to farmers and others working in the countryside.

If British farmers deserve anything, it is a chance to show what they can do to compete on more equal terms with others, at home and abroad, both inside and outside the EU. Nobody denies the need for regulation, but farmers and other small businesses in rural areas should be able to expect the regulations to be applied in a common sense manner.

The Government's motion and our amendment to it are not limited to the CAP. The Minister spoke at some length about the action plan for farming—a plan which, it is claimed on its front page,

will help chart a way out of the current crisis.

After the Downing street summit of 30 March, the Government claimed that their package of measures was worth £200 million, but today is Parliament's first chance to examine that package; alas, the claims have been exposed as false. Far from representing £200 million of extra cash, the element of agri-monetary compensation shows a cut of £110 million compared with last year's figure.

Mr. Nick Brown: That is absurd. As I explained to the hon. Member for Somerton and Frome (Mr. Heath), the arrangements for agri-money are degressive. The fact that the Government do not take up the full sum does not mean that a cut has been made.

Mr. Yeo: In April the Minister gave me a written answer on the subject. He made it clear that in 1999, £264 million was available; and that in 2000, £154 million will be available. By my reckoning, those figures reveal a cut of £110 million.

Let me set out the record of the Conservative Government on agri-monetary compensation, because there have already in the debate been some astonishingly ignorant and misleading exchanges on that subject. Agri-monetary compensation in its current form was first available only four months before the 1997 general election, when farm incomes were four times higher than they are now and the pound was valued at 20 per cent. less than it is now. Yet the Minister's answer to the intervention of the hon. Member for Monmouth (Mr. Edwards) appeared to imply that the Conservative Government were at fault in not claiming agri-monetary compensation in those circumstances. Can farmers take that to mean that Labour will continue to seek sources of extra support for Britain's farmers even if farmers' incomes quadruple, to their pre-election levels, or if the euro rises to a value equivalent to that of the deutschmark in early 1997?

Mr. Brown: Will the hon. Gentleman remind the House whether the last Conservative Government supported or opposed the introduction of the agri-monetary regime? Did they commit themselves to making payments under that regime, or did they say that they would not make such payments.

Mr. Yeo: The last Conservative Government made their agriculture policy in the light of the needs at the time of farmers, consumers, taxpayers and the environment. I have absolutely no doubt that, had the Conservatives remained in office, farm incomes would not have collapsed as they have done; if they had, I am sure that we would have sought all available help for farmers under the agri-monetary scheme.

The agri-monetary element of the scheme accounts for more than one third of the package's total value; that element has declined. Let me give an example of one of the smaller elements. When, on 17 April, the Minister finally answered my written question about the details of the package—four days after a junior Minister had wrongly assured the House that the information that we sought on behalf of farmers had already been published—the answer revealed that, of the £200 million of cash help trumpeted by the Government, £4.5 million came in the form of a commitment not to raise meat hygiene inspection charges by more than the rate of inflation.

Even by the disgraceful standards of new Labour, which has debased the currency of polifical debate and enabled Ministers to assure the public that taxes are going down when they are actually rising, that is a pretty remarkable distortion of the facts. If a promise not to imposes increases in the burdens on agriculture by an amount greater than the rate of inflation constitutes cash help, who knows what further horrors the Government have in store?

Mr. Brown: That is a semantic point and this is not the first time that we have heard it; similar points were raised in response to the September package on the question of specified risk material costs, which the Government carried rather than passing them to the industry, and on the question of the cattle charges. The fact is that costs have to be covered, either by the

industry or by the taxpayer. If the taxpayer is to cover the costs, that will cost money—new money that was not previously budgeted; money that I have to argue for alongside competing bids for public expenditure. Therefore, the money is new money because it is money spent to an agricultural purpose that was not going to be spent previously.

Mr. Yeo: The right hon. Gentleman appears to expect to be thanked if he walks down the street and does not rob the bank. From his remarks, we can take it that the Government were planning to raise those charges by a rate greater than inflation; but, having managed to take control of the management of those operations, the Minister was able to say that charges would increase only by the rate of inflation. Such Orwellian manipulation of language is a disgrace to the Government and gives rise to false hope in farmers' hearts.

As the Minister says, our charges have been laid previously. Last September, a package was announced and the Minister claimed that it was worth £500 million. Yet, only a few weeks later, critics were suggesting that it was worth not £500 million but £1 million. In its report, "The current crisis in the livestock industry", published in December, the Agriculture Committee stated:

> we also have sympathy with the farmers who were led by the headline figure to expect extra money in their pocket, rather than a notional decrease in the amount that would be taken from them.

The Minister's comments this afternoon demonstrate that he learned nothing from that experience. In the same report, the Committee stated:

> the Minister should take care not to give false hope to farmers whose first news of help packages is a limited media story.

False hope is exactly what the Minister gave rise to again in March this year.

Mr. Brown: The hon. Gentleman must not distort the Agriculture Committee's comments. It made those points in respect of the way in which the announcement was reported, but was careful not to do so in respect of the announcement itself. That announcement was made in September, when the House was not sitting, in response to what the Government believed, and I continue to believe, were urgent pressures. We set out specifically, category by category, each expenditure head. The Committee had sight of the statement made at that time, as did the hon. Gentleman. I defy anyone to describe the September statement as misleading: it was explicitly stated that £150 million of the package was new money, the rest being composed of two elements, agri-monetary payments previously announced—

Mr. Deputy Speaker (Mr. Michael Lord): Order. The Minister is lengthening his interventions—

Mr. Brown *rose—*

Mr. Deputy Speaker: Order. It is my responsibility to ensure that interventions are of a reasonable length. Many hon. Members want to contribute to the debate.

Mr. Yeo: Thank you, Mr. Deputy Speaker.

The fact is that I read out precisely what the Select Committee said in its report about the September package. The source of information on which press reports are based when these announcements are made is exclusively the Government. In the case of the announcement of 30 March, the reports could not be amplified for 17 days, because Ministers were unable or unwilling to answer detailed written questions tabled by Members of Parliament. If there is any mistaken interpretation, we know who is responsible for putting the spin on the original statement. In their increasingly desperate search for a good headline, there is no level to which new Labour will not stoop, no statistic that it will not distort, no fact that it will not manipulate.

Last year, £264 million of agri-monetary compensation was available. This year, it is down to £110 million, despite the continuing weakness of the euro and the fact that farm incomes are under intense pressure.

The Minister touched on the measures for the pig sector. Pig farmers deserve more details, and I hope that we will not have to wait very much longer for a clear statement of how much of the promised £26 million will be paid to outgoers and how much to ongoers. I hope that the conditions under which the ongoers will receive the money will also be made clear and that we will be told whether the support is likely to be continued in subsequent years.

After two years in which the British sow herd has declined substantially, do the Government think that they have done enough to ensure the survival of what remains of our pig farming industry? Does the Minister accept the view of the chairman of the National Pig Association, who wrote to me on 13 April:

> £26 million falls far short of what the industry needs even to recover its debt position far less compensate for the ongoing c. 8p/kg cost disadvantage from BSE-related costs that our producers currently face . . . ?

Another major component in the action plan is the over-30-months scheme weight limit. There seemed to be some confusion in the Minister's mind when the matter was debated before. The action plan says on page 4 that the Government will

> seek from the Commission an increase in the maximum weight per animal on which compensation is payable

but at Agriculture questions the Minister told the House:

> the Government's proposal is to lift the limit . . .—[*Official Report*, 13 April 2000; Vol. 348, c. 491.]

I hope that he will soon be able to clarify which of those statements is correct.

Mr. Brown: The statement made at oral questions is correct: we propose to lift the limit—to abolish it.

Mr. Yeo: I am grateful for that clarification. That is an amendment to the written statement that accompanied the action plan, but it is none the less a change in the right direction.

I hope that the Minister will soon be able to tell the House and, more particularly, the industry, when he expects to receive approval for the proposal. He spoke about cutting red tape, and we welcome the efforts that have been made by the various review bodies, but we remain concerned about the tangible achievements that have been recorded so far.

The Minister was involved in some exchanges about the future of the Ministry's regional service centres. A big stretch of the imagination is required to describe

[Mr. Yeo]

the proposal to close them down as greater co-operation with the Government's regional offices. I want to place on record farmers' concern—well-founded, I believe—about the possible loss of the opportunity that they have to visit their regional service centre in person to discuss the details of the rather complicated IACS—integrated administration and control system—claims. Many farmers are not yet very experienced in the use of electronic communications, and to force them all at an early date to make claims via computer will, I believe, cause a great deal of additional stress in the industry.

We remain concerned about the damage that bureaucratic intervention can cause. The recent enforced closure of the Meade Webber slaughterhouse in Herefordshire is yet another example. My hon. Friend the Member for South-East Cambridgeshire will touch on that later.

Whatever the Government's rhetoric about cutting burdens on business, their actions too often belie their words. The imposition of the climate change levy, even in the amended form announced in the Budget, will hit the horticulture sector. The Countryside and Rights of Way Bill is still causing great anxiety and potential problems in the countryside. The threats are not confined to the United Kingdom. The European waste incineration directive is another substantial burden waiting to fall on the industry.

The acid test is whether the Labour Government are on the side of Britain's farmers and consumers and whether they believe in the future of agriculture and the countryside.

Mr. David Heath: I am a little surprised that neither the hon. Gentleman nor the Minister has mentioned the peculiarly precarious position of tenant farmers and the overwhelming need for a retirement package to enable people to leave the industry with dignity.

Mr. Yeo: I am aware of the fact that the Liberal Democrat amendment refers specifically to the retirement package. I have omitted to mention it only in the interests of time, and my hon. Friend the Member for South-East Cambridgeshire will deal with it in his winding-up speech.

Last year, Labour sold Britain's dairy farmers down the river on the issue of milk quotas. In the summer, the Minister let down pig farmers. He said:

> I have on my desk draft letters waiting to go out to the major public authorities . . . urging them to source products of the highest welfare and animal hygiene standards . . .—[*Official Report*, 1 July 1999; Vol. 334, c. 422.]

Four months later, at the end of the summer recess, under questioning from me on 20 October, it emerged that those letters had never been sent out. The Minister was happy to imply that he was trying to boost public sector support for British farmers, but in practice he did so only when persistently chivvied by the Opposition. It is no surprise that in Wales sheep farmers are now banning the Ministry of Defence from conducting exercises on their land.

In the autumn, Britain was again humiliated when France refused to allow British beef to be exported. As that crisis deepened, the Minister refused even to talk to his French counterpart, saying that there would be no point in doing so. At the Anglo-French summit at the end of November, the issue was not even raised. Even in the past few weeks, when the European Commission itself has, not for the first time, exposed dangerous flaws in French farming practices, and when the long-held suspicion that BSE is much more widespread in France than was previously admitted have been confirmed, he still refuses to consider any action.

Mr. Nick Brown: That is no longer my ministerial responsibility. With the setting up of the Food Standards Agency, responsibility passes to the Secretary of State for Health. Even if the hon. Gentleman was on to a good point—which he is not—he would be making it to the wrong Minister.

Mr. Yeo: I am sure that British farmers will have noted the Minister's response: that it is not a matter of concern to the British Agriculture Minister if the illegal practices of farmers in other countries, whose businesses compete directly with those of farmers in Britain, continue unchecked. His only answer is, "Oh, it's not my responsibility."

Had a British farmer been found feeding his or her livestock with illegal materials, as French ones were last autumn—when the Minister was responsible—does anyone believe that the Minister would have told Parliament that nothing could or should be done? Of course not. A French farmer behaving in that way can rely on good old Labour Ministers. Never mind the damage to Britain's farmers or the risks to British consumers, under this Labour Government there is not a word of criticism, a whisper of complaint or a moment of argument over any action or proposal, however damaging, from a foreign Government or a European institution.

Mr. Brown: Will the hon. Gentleman give way on that point?

Mr. Yeo: No, I have given way too often.

The Government's reluctance to act to reduce the flow of substandard food into Britain is now notorious. Only yesterday, the National Farmers Union revealed a 40 per cent. rise in poultry imports from Thailand, a country where practices are known, in some cases, to fall far below the standards that are required here for health reasons.

Agriculture and the countryside, and consumers, now need a Minister and a Government who are prepared to defend their cause: to defend it in Whitehall, when more taxes and red tape are being imposed on them; against the Treasury, when support levels are being cut; and in Europe, when they are under attack from other Governments who recognise the importance of rural communities.

In 50 minutes today, the Minister gave no clue about Labour's long-term view of agriculture. It is no wonder that the industry is suffering from a shortage of young people coming into it. The Liberal Democrat amendment refers to the retirement scheme, and we are sympathetic to those concerns, with which my hon. Friend the Member for South-East Cambridgeshire will deal. However, much more than a retirement scheme is needed to save British agriculture. It needs a Government committed to the industry's survival, who have a vision of the countryside as something more than a giant theme park—a rural version of the millennium dome.

The Conservative party believes in a living and working countryside, where a prosperous agricultural industry is the foundation of a thriving rural economy; where viable and enlightened farmers are in the front line of looking after the rural environment and have the task of producing high-quality food to meet a substantial proportion of the needs of British consumers; and where rural communities can feel hope, not despair. I commend our amendment to the House.

2.41 pm

Mr. Mark Todd (South Derbyshire): I apologise for missing the almost certainly excellent speech of my right hon. Friend the Minister—I regret that deeply—and a significant part of the contribution of the Opposition spokesman on agriculture, the hon. Member for South Suffolk (Mr. Yeo), which I regret rather less.

The debate gives us a further opportunity to discuss the present and future of British agriculture. At one stage last year, we had more opportunities to discuss the topic than any other matter before Parliament, with debates almost weekly. As I participated in many of those, I regret that many hon. Members will have to put up with hearing similar views to those that I expressed then, with a small amount, regrettably, of "I told you so" and references to recommendations that I made previously.

I begin by outlining my credentials for speaking on the subject. Within South Derbyshire district, which includes three quarters of my constituency in population terms and far more than that in area, agriculture employs more than 5 per cent. of the work force, on the latest figures. It remains a major contributor to my local economy and to the shared environment of the citizens whom I am proud to serve.

The district contains most forms of agriculture. I have the pleasure of being able to touch on almost any aspect that anyone could raise on an agricultural topic—sheep, dairy, beef, horticulture, poultry, pigs and arable farming all exist, with varying degrees of health, in my area. The area's performance accurately mirrors what has happened in the broader agriculture sector in the past three years.

All sectors have struggled, particularly in the past two years. In the first year, there were some exceptions. The same situation has been reported elsewhere. Most of us will have received the statistics on farm incomes. I would not claim that my area is atypical; that has been broadly my experience as well.

I regularly visit farms and meet farmers. In some areas, perhaps one half of the farms have been sold to neighbours and transferred on to become larger units. It is an attractive area, near Derby, and the farm buildings are regularly redeveloped for housing purposes. There are examples of local enterprise in facing the current problems. A successful golf course has been established on farm land near Derby in my constituency. That activity earns a good deal more money than the farming activity that preceded it. There is an extremely successful cleansing and packaging operation focused on root crops—

Mr. John Hayes (South Holland and The Deepings): I am grateful to the hon. Gentleman for giving way. I do not mean to interrupt the travelogue of Derbyshire, which is charming and entertaining, and I acknowledge, as ever, the hon. Gentleman's commitment to agriculture and his measured way of dealing with the topic. He speaks of having a variety of agriculture in his constituency. Are his arable farmers as disappointed as mine are in Lincolnshire that, in all the packages that the Minister mentioned today and introduced in the House previously, there has been almost no help for hard-pressed arable farmers, including tenant farmers, such as those who were mentioned earlier?

Mr. Todd: I thank the hon. Gentleman for his intervention. Because of the mixed nature of the farming that predominates in my area, there are few farms where arable farming is the dominant type. Farmers will usually have a certain amount of barley, for example, as part of their farm's activity, but the arable sector would not be the major goal of their operation. I have therefore been less exposed to comments on that than the hon. Gentleman.

I shall continue. There is a highly successful washing and packaging operation in my area, based originally on a mushroom farm. That is still there, but the person involved has invested successfully in an operation that takes potatoes and other root crops from neighbouring farms and washes them, cuts them precisely and packs them neatly for the catering trade. He has established an extremely successful business around that. He is a successful entrepreneur from a farming family and is still a member of the National Farmers Union. My only regret is that he is about to move out of my constituency because of the need to expand his activities.

That example demonstrates some of the successes that there have been. Another is added-value investment in the poultry sector. There is one large poultry operator in my area, and a neighbouring plant produces added-value product for the supermarket trade. There are indications of diversification, development and added value in farming units in my area, but many farmers have simply struggled through. I would not pretend otherwise.

We have heard reference to tenant farmers, and I shall not hold back on that, as there are a number of tenant farmers in my area. Farmers have few options if they do not have a property asset, which, as I said, is worth a reasonable amount in South Derbyshire, because the area has good communication links and the planning authority has tended to be broadly supportive of changes in use—although there have been some exceptions, about which I would argue.

Farmers who do not have a property asset are left with their stock, which is worth painfully little. There are some encouraging signs. Others will have touched on the improvement in the price of pigs. There is only one pig operator in my area, and that improvement will allow him at least to break even. That is also true of the sheep sector, where there has recently been an improvement in prices and some prospect of recovery. However, many tenant farmers are forced to rely on their stock, which, in some cases, they bought for significantly more than they can raise from it now, and there is no exit strategy that they can use.

There is, none the less, much to commend in what the Government have attempted to do. The rural development plan offered the prospect of expansion of some successful schemes, such as the countryside stewardship scheme, and woodland and organics support. Welcome initiatives have been introduced for energy crops, and some much-missed supports, particularly for marketing, have been

[Mr. Todd]

reintroduced. I stand to be corrected, but I believe that those were scrapped under the previous Government, not the present one. Since then, the farmers whom I represent have called for the reinstatement of such schemes. There are welcome new initiatives, existing initiatives have been extended, and initiatives that had gone have been reintroduced.

Genuinely new Government money is being offered to match cash modulated from support payments and existing European Union funds. The total value of the schemes is £1.6 billion over the next seven years, and the trend is rising. I shall say more about that later, but let me say now—this is merely a comment, not a criticism—that, although £1.6 billion is a substantial sum, it is a small amount in the context of all the support that will be given to agriculture over the period. The Minister seems to assent to what I have said, and I do not think he interpreted it as a criticism. It is, after all, merely a statement of fact.

We have made a good start if our aim is to develop a strategy focused on encouraging diversification, to improve the business skills of the farming community—which is clearly linked to the first objective—to enhance our environment, and to make the farm sector less dependent on subsidies for the driving of its main business activities. That last aim is as critical as any. As I have said, it is a good start, but it is only a start. Over a period, we must weight the balance of the budget much more in favour of measures such as those I have mentioned, and away from simple production support.

I have reservations about the package, some of which I have shared with Ministers and others. I shall now share them with you. *[Interruption.]* I mean that I shall share them both with you, Mr. Deputy Speaker, and with the rest of the House. *[Laughter.]* We should not discuss the subject so lightly. Perhaps it is familiarity with my speaking on such topics that produces this reaction.

The money available is heavily loaded towards the latter end of the seven-year period, which is regrettable. I have vigorously, even repetitively, asked for help for modernisation in earlier debates, and I am delighted that the Government now espouse my view; but that help is needed now, on a rather greater scale than will be possible in 2000-01 or, indeed, in the following two or three years.

We have already seen, in the organic sector, how the offer of existing small-scale reform money is rapidly oversubscribed. I willingly accept that there are strong arguments for balancing expenditure of this kind against market expectations, and that flooding the available marketplace for support for organic conversion with money is likely to lead to the potential impoverishment of organic farmers. Like, I am sure, many Members who represent farming communities, I already advise those considering organic conversion not to take that step on the basis of the premium prices currently available in the marketplace: they should not found their business plans on those expectations. A substantial additional production base is already emerging to supply the marketplace, which must logically affect the prices that can be commanded for organic produce, even in a rising market. That is simply prudent advice.

I well understand why funds of this kind need to be released progressively over a period, rather than in one mad rush at the start; but that, arguably, cannot be applied to some of the other key schemes in the package. I am thinking particularly of training, marketing, and investment in processing and co-operative activity for development of the new farm-based enterprises. I shall say more about that later, in a local context.

Mr. Öpik: Is the hon. Gentleman aware that farmers in Wales were keen to become involved in organic farming? Unfortunately, the project was massively oversubscribed, and there was not enough money to go round. As a result, farmers are being a bit more cautious.

Mr. Todd: I agree with the hon. Gentleman. Many farmers, including some in my area, have expressed interest in organics. The typical south Derbyshire farmer is canny and cautious and does not necessarily think that today's fashion is tomorrow's marketplace, so farmers in that area may not have leapt on the idea as keenly as some; but there are prospects. Those who are investing need sound business advice on the appropriateness of their decision.

My point is that a project involving the provision of money for the purpose of achieving a particular goal was immediately oversubscribed—and I should be very surprised if the same did not happen during the current financial year.

Mr. Paul Tyler (North Cornwall): As the hon. Gentleman will know, I have sponsored a Bill setting targets for organic food production. He will also know that 70 per cent. of organic products in supermarkets are imported. I wonder if he also knows that the Prime Minister has committed himself to trebling the amount of agricultural land involved in organic production by 2006, and that there is no money to back up that commitment.

Mr. Todd: I accept all that the hon. Gentleman says, but freely admit that I subscribed neither to his Bill nor to the early-day motions that preceded it. Those who know me—members of the Select Committee, for instance—are aware that my view on such matters is firmly market-based. I regard approaches that set targets, at Government level, for the conversion of agricultural land to organic status as dangerously dirigiste—almost like the Soviet approach, suggesting that particular areas should be converted to organic status regardless of what the marketplace may want. I sense—as, regrettably, I often do—a degree of assent to some of my market-led views on the Opposition Benches. Nevertheless, I am keen to support the development of the organic sector along market-led lines.

Having been led along that track by others, let me return to my core point. The scheme to which I referred was oversubscribed last year. There are a number of examples of similar schemes, which I believe will be oversubscribed and in whose case the shortage of money is not related to a market problem. They include training schemes to encourage farmers to move into other sectors and improve their business skills, marketing assistance, and to some extent the development of support grant systems for farm-based enterprises.

It is feared that older farmers are less able to envisage change, will be locked into continuing to farm, and will present a potential barrier to reform. That has always been my strongest argument for an early-retirement scheme.

I know that many farmers would like an early-retirement package for their own reasons, wishing to extract themselves from an industry which, although they love it, no longer provides them with an income. That is a strong argument on a personal level, but there is also a micro-economic argument. The sector is ageing rapidly and, if we are seriously advocating reform, there is surely a need for fresh impetus, new faces and greater enthusiasm.

Without wishing to direct criticism at an older generation of farmers, who have served this country well, one could argue that they are the least equipped to manage change. There is therefore an argument for reviewing the basis for an early retirement package.

Nevertheless, I have listened carefully to the Minister's reasonable view that a large chunk of the cash would be wasted because a significant proportion of farmers who would be aided by an early retirement package would leave agriculture anyway. We would therefore simply be providing additional cash for pensions, which those farmers would claim in due course. I understand that rational argument, which is typical of the Treasury, and not necessarily shared by other Departments. We must consider it carefully, but, so far, the micro-economic argument for the change that I described has been badly expressed.

I am not clear about the mechanism for implementing some of the policies. The part of the speech by the hon. Member for South Suffolk that I heard referred to the role of regional service centres. I take a different view from the Opposition spokesman. There is plenty of room for reform in that service to farmers. However, greater co-ordination is required between support for farmers through regional service centres and support through the Small Business Service and various regional government offices. Provision of support and explanation of opportunity needs to be more finely tuned. So far, I am not persuaded that that has been thought through rigorously.

Mr. John Bercow (Buckingham): Does the hon. Gentleman agree that one of the best forms of support for British agriculture is freedom from burdensome and unnecessary regulation? What is the hon. Gentleman's assessment of the draft Feedingstuffs Regulations 2000, which have come from the European Commission and to which the Minister has so far limply agreed? They will effectively prevent farmers from feeding their herds health-boosting minerals or vitamins, with the limited exception of compound feed. Does the hon. Gentleman know that the National Farmers Union regards them as unnecessary? What does he think?

Mr. Todd: I thank the hon. Gentleman for that intervention. Those who have heard me speak about the subject know that I do not support greater regulation in farming. I was about to deal with regulation. The hon. Gentleman has therefore anticipated me, although I did not intend to refer to the regulations that he mentioned. However, his point deserves consideration.

I should like first to make some positive comments. Various working parties were established to examine regulation in agriculture. I can claim a role in arguing strongly for the need for such working parties, and I am largely pleased with the results, especially the quality of the reports, which highlighted some problems, and the Government's positive response. I shall enter a caveat: I have never worked in the public sector and am therefore suspicious of British civil servants' ability to deregulate their activities, however instructed by politicians. When a decision is made to remove specific regulatory burdens, they often miraculously reappear by some other route.

I welcome the statements, and the intellectual progress that has undoubtedly been made in examining the regulatory burden. However, I shall judge success by outcome rather than words. Again, I do not criticise my Front-Bench colleagues.

Mr. Bercow: The hon. Gentleman is allowed to do that.

Mr. Todd: I prefer not to criticise them.

As I have said, I have contributed regularly to the debates on agriculture. In a debate on the dairy sector, I referred to dairy hygiene inspection charges, which have caused particular anxiety. I urged the Government to tackle the additional burdens that the English—not the Scottish—dairy sector bears. Perhaps the Government were persuaded by my argument, although others also commented on the matter, but I was delighted that the dairy sector featured specifically in the action plan and that the burden will be removed. That represents a genuine cash gain for dairy farmers. However, my previous cautionary remarks about the removal of regulations apply.

Another aspect of the action plan deals with aid for the pig sector. Like other Select Committee colleagues, I had the opportunity to question Commissioner Franz Fischler on potential aid packages for the pig sector before the Government devised their package. We had an entertaining Agriculture Question Time when another member of the Select Committee, who is sadly absent this afternoon, and I gave slightly different interpretations of the conversation.

The Commissioner made it clear to the Select Committee that there was absolutely no basis on which the Government could provide support mechanisms for the continuing activity of the pig sector. The regime is light and the sector does not currently receive subsidies. To take the example that the industry chose, the United Kingdom Government could not argue for compensating the sector for what is perceived as the BSE tax to cover the additional burdens of disposing of offal, which would otherwise find a market. Commissioner Fischler's judgment was clear and I reported it to the Minister. In my question, I suggested that the future lay in an aid package that was focused on restructuring and additional marketing support. I am pleased that that featured in the Government's action plan.

I alluded to the precise definition of restructuring in a more private meeting with representatives of the pig sector. It is rather vague. The Government's approach suggests that restructuring has an historical element. It is not entirely oriented towards the future; thus it is not designed to reduce the industry's capacity further. It is designed to look backwards at those who have already left the industry. That is an interesting definition of restructuring, but it is more helpful than an approach based only on the future.

Mr. Nick Brown: I should like to backdate the measure to help those who have already departed, but the assistance is conditional on the capacity not returning.

Mr. Todd: That was my understanding. Conditions are attached to the measure, but at least it attempts to

[Mr. Todd]

compensate some people who have already left the pig sector, provided that the capital investment remains evident, that they have not demolished all the buildings and moved on to another industry. The measure is therefore another substantial gain.

I want to comment on other aspects of agricultural policy. Although it is unclear whether the current World Trade Organisation round is a continuation of the Uruguay round or part of the bigger negotiation, it represents an excellent opportunity for the United Kingdom. I have already expounded to my right hon. Friend the Minister of State the view that the stamp of the United Kingdom's agricultural policy—which has always been reliance on the marketplace, not on subsidies, controls and quotas—at least enables us to communicate with countries from the Cairns group and, to a lesser extent, with the United States, which rely far less on those instruments. We have strong historical links with many members of the Cairns group, especially its key players.

The Government's position is that we must respect the Commission's lead role and defer to its lead in the negotiations. Nevertheless, there is an opportunity to give a clearly identifiable UK lead on the philosophical approach to those negotiations. I await an intervention from the Opposition Benches.

Mr. William Cash (Stone): The hon. Gentleman reads my mind. He is making an interesting speech, but does he agree that the Cairns group has been so critical of the CAP because of the damage that has been done, is being done and remains to be done by it to the developing world and the old Commonwealth, and that that is a serious problem not only for agriculture but for foreign policy?

Mr. Todd: Unusually, I entirely agree with the hon. Gentleman, although perhaps it is not so unusual for us to agree on these matters. I have long held the view that the CAP is a potential enemy of the improvement of successful developing countries' agriculture. We should take any possible steps to recognise the need for vibrant and successful agriculture in the third world. That is one of the intellectual bases on which I would urge the United Kingdom to take a leading and active role in the current round of negotiations. Obviously, we also have the opportunity to communicate more closely with the United States than with some other partners. I have argued that, instead of taking the more passive role of accepting the Commission's lead, perhaps we should give greater prominence to the United Kingdom agenda for agriculture.

Even Opposition Members would agree that welcome progress has been made on the goal of lifting the beef ban, although we might argue about how much. Obviously, we must now rely on the courts to achieve an outcome with France, but the Government's approach of engagement and constructive negotiation with our European partners has started to reopen doors for British beef. I urge a continuation of that process and the setting of more ambitious goals. Neither I nor the farmers whom I represent in the sector would be satisfied if we were to agree that we could export only butchered meat. As in the past, there is market for beef livestock from this country and we should explore as soon as possible the opportunities to reopen that market, with appropriate welfare support. I see no logical trading or health reason why a small beast could not be exported from this country now, but clearly we must take the negotiations step by step. I also recognise that some people take the principled stance that live exports of any kind should not be contemplated, although there is no representative of that view on the Benches behind me at present. I have never taken that view and believe that, in appropriate welfare conditions, we should re-engage in that reasonable export market.

I have already taken up a great deal of time, so I shall deal with a couple of local concerns that are relevant to the debate. The farmers in my constituency are canny and cautious in many respects, but they are keen to engage in new value-added activity and they are looking for direct assistance with that. Several want to form a co-operative, which would allow them to process various products. Almost anything that can be grown—either animal or vegetable—is grown in South Derbyshire. The farmers have a variety of goals, but they want assistance with the development of their new enterprise. The rural development plan package for processing and market development could provide a basis for that, but I would welcome the Minister's explanation of how that package might be applied and how farmers might apply for that assistance. They do not expect huge Government subsidies, but I agree with them that, as part of the refocusing and modernisation of agriculture, helping them to make that change represents an appropriate public sector investment. I would welcome details of how that might be done.

The second issue, which I have touched on not in the debate but in parliamentary questions, is further scrutiny of how the regulatory burden operates and the related issue of how that impacts on the market for key farming products. I refer to fertilisers, chemicals and drugs used to support the farm sector. *[Interruption.]* I hope that I can hold Ministers' attention for a moment. Local farmers regularly tell me that they pay significantly more for certain inputs than other farmers—for example, in France. The drugs, fertilisers and chemicals that they need to run their businesses are significantly more expensive in the United Kingdom than in our continental neighbours. That cannot be explained purely on the basis of the differences in currency; it seems to be linked to the slightly different regulatory requirements of member states. The farms are commercial enterprises and they are charged a premium for the products that make them more productive. I ask for that matter to be scrutinised further.

As I have explained to the farmers whom I represent, I have always thought that there is a dynamic and attractive future for agriculture in this country, but there will be differences: agriculture much more clearly focused on markets and business skills than on husbandry and crop development. Identifying relationships with other parts of the food chain is also more important than ever. However, that represents an attractive future and I can already see the signs of change in South Derbyshire.

The packages that the Government have produced recently will certainly assist that change. The critical issue will be engaging the individuals with reform in their minds in the farm sector with the officials and business people who can assist them with that process. I have to say—again, from my outsider's experience of never having worked within the sector—that it can sometimes

be difficult to put together the private sector and the public sector enabler. Sometimes, the two hands miss each other somewhere in that process.

The critical issue will be how we implement the strategies that emerge and how we ensure that the policy tools that have been identified actually work. That will be the test of our achievement.

3.20 pm

Mr. David Curry (Skipton and Ripon): It is always a pleasure to follow the hon. Member for South Derbyshire (Mr. Todd). I think that, on this occasion, my pleasure was achieved relatively early in his speech. I thought that his contribution earlier this week on the sale of National Air Traffic Services, an even more loyal speech than the one that he has just given, was perhaps more characteristic of his usual brevity.

I start with a quotation from the bible for the day: the action plan for farming, which states on page 6:

> Government has a duty to ensure that the essential safeguards for the consumer, the taxpayer and the environment are in place. But we must regulate only where it is really necessary and make full use of market and voluntary measures to assist these objective.

It is mis-spelt; it should be "objectives". It continues:

> The Government's policy on implementing EU obligations in relation to farming will be to avoid all "gold plating" of the legislation, its implementation and enforcement; to regulate in the least bureaucratic and burdensome way and to avoid implementing legislation ahead of specified EU deadlines . . . We will also negotiate in Brussels to secure measures that minimise regulatory burdens.

We all say amen to that, but what we really want to know is: is it Genesis or is it Exodus? Has a new culture suddenly gripped Government, or is it a palliative from which they will resile in due course? That is a key issue.

The question poses itself: do the Government see it as a prime purpose to give industry the means to compete fairly with European Union competitors in the single marketplace? One might say that the answer to that question is so axiomatic that it should not even be asked, but it must be asked because there is a history in the UK—a history under both the present Government and their predecessors—of imposing on industry burdens that competitors do not face, and of imposing them knowing that competitors do not face them.

Two issues flow from that fundamental question. The first relates to the weight and extent of regulation in relation to that imposed on producers in other countries. The second is the cost of that regulation to industry in relation to the cost placed on producers and industries elsewhere.

The Government have renounced gold plating, but Governments consistently do so. The Government speak of minimising regulation. Again, we all say amen to that, but do the Government accept that rules should be applied in what one might broadly term an equivalent way to the way in which rules are applied on the continent? Even more important, do the Government accept that the charges should be no more than those applying in the major competitor countries?

If the answer is yes, it is a fundamental and welcome change in culture. I salute it and am very glad about it. Quite honestly, if the answer is yes, it is a far more important element for farmers than the agri-money compensation that we have spent so much time on today. That compensation is only tiding people over but if there is a fundamental change in the way in which we look at an industry, and if the Government embrace the notion that they must help to maintain competitiveness and so take actions that they might not necessarily wish to take, and renounce policies that they might not necessarily wish to renounce because we must recognise the existence of competitors in a single marketplace of which we are members, that is of fundamental importance for the future of the industry.

Mr. Bercow: Will my right hon. Friend give way?

Mr. Curry: I shall. Hon. Members will not mind if I sort of half sit.

Mr. Bercow: Is my right hon. Friend aware that, more than 12 months ago, the then junior Cabinet Office Minister, the hon. Member for Liverpool, Walton (Mr. Kilfoyle), told me in a written answer that the Government had not published an annual estimate of the costs of regulation on business and, moreover, that Ministers did not intend to do so? Is that not a worrying sign of complacency?

Mr. Curry: It is a worrying sign of complacency, but it is reassuring that the hon. Member for Liverpool, Walton (Mr. Kilfoyle) is no longer in the Government. If one looks at local election results in Liverpool, one begins to wonder whether that particular appeal of old Labour is pulling many strings in what one might term the heartlands.

The action plan does not answer the questions that I have posed. It allows one to hint at the answer. It suggests that there may be an answer there, but I hope that, in her winding-up speech, the Minister can give a precise answer. I have a specific question for her: have the Government—by which we all mean the Treasury, of course—accepted that the doctrine of full economic cost recovery works massively to the disadvantage of British competitiveness and must be abandoned? I do not pretend that that is easy to do. I realise that there are legislative obligations and cost implications, so I do not pretend it is just a religious notion that can be cast aside. It is fundamental to the way in which we deal not merely with agriculture, but with industry more widely and the British question. It is relevant because on a wide range of issues the Government are—I recognise it—alleviating costs to farmers and related businesses, but is that a temporary relief, or a policy change? If things get better, will we come back to the non-relief, or have we changed our approach fundamentally?

Mr. Nick Brown: I agree with much of what the right hon. Gentleman is saying. He is right that the sector's current difficulties throw the regulatory burden into stark relief because that, in many cases, involves fixed costs that do not move with the agricultural cycle. I believe in deregulation and in keeping regulatory burdens to a necessary minimum. I firmly oppose gold-plating European Union regulations. If the single market is to work, it should work fairly and equally across the whole market. I would hold to that view in good times and bad, although, of course, it is bad times that throw all these things into sharper relief.

Mr. Curry: I am delighted that the Minister has made that intervention. He has given us a benchmark against

[Mr. Curry]

which we will be able to judge many future actions, so I am grateful for that, but I want to take my argument a little further and to ask him a question that might be slightly more difficult: do the Government accept that they must create a level playing field for English farmers—because he is now responsible only for English farmers in many respects—within the UK?

An illustration is dairy inspection charges, which have never been applied in Scotland, and which the Welsh Assembly is poised to get rid of. I wonder whether that was the spur to removing them in England. We recognise that they are not a massive charge. None the less, they were a symptom of a differential treatment.

There are differentials in some of the allowances that are paid in the particularly disadvantaged areas. Specially high rates of premium are being paid, but it is important to ask that question. I will illustrate why by reference to another regulation: the integrated pollution prevention and control directive for intensive livestock farming. I welcome the action plan's deferral of implementation of the directive in the poultry and pig sectors from 2003–04 to 2007. That implements what the Minister has said—that we would not introduce the regulations in advance of other people. That reflects a recommendation from the Select Committee on Agriculture.

Equally, I welcome cuts in the projected initial permit charge of £12,000 to £18,000—for which the Environment Agency struggled to find any rationale when it appeared in front of the Committee—and in the £7,000 annual charge to less than half that, but the fact remains that the Scottish Environment Protection Agency's proposed charges for Scotland started at half the English charges. My suggestion was that we should ask the agency in Scotland to apply that in England as well, on a contractual basis.

Even if we are dealing with speculative figures in Scotland that come down, there will still be a disequilibrium in the United Kingdom, let alone within the wider European Union. We know that many EU countries will either not charge at all or will do so at a much lower rate. What is the policy implication in the light of the Minister's recent intervention about the level at which charges will finally be settled? Will he say that we should have a look at what is happening in Holland, Denmark, Germany or northern France, which are the competing countries in terms of pigmeat? Will we settle our charges in terms of what is being charged in those areas? They are not cheating. In deciding to impose lower charges, they are availing themselves of a facility that is in the directive.

The groundwater regulations concern my constituency because they apply to the way in which sheep dip is disposed of. The Government have said that they are abolishing the annual charge of £107 for the first four years in favour of a single £85 application charge. We welcome that, but is it a temporary relief? What charges are levied on competitors? Do the Government even know? I am often struck by the paucity of the Government's information about what other countries are doing.

Frankly, one does not have to be a magician to believe the continental agricultural press, or to have our posts overseas make the necessary contacts. There is nothing particularly secret about the information, although it takes some winkling out. There are plenty of English farmers who have established themselves in France who would be perfectly willing to constitute a fifth column in giving practical information to the Government, the posts in Paris or the consulates.

We have seen the deferral of the charges on abattoirs and increases in the meat inspection charges held to the rate of inflation. Where is the policy headed in that field? What is the EU practice? I am sorry to be repetitive, but I emphasise that we have no choice but to see the way in which we apply policy through the optic of the wider application in the EU. Otherwise, we prove our own worst enemy; it is not what our competitors do to us that is the problem, but what we do to ourselves. We must march in step.

There may be intrinsic merit in full economic cost recovery. In many regards, I would say that there is. The Minister is right that it is either a charge on the user or a charge on the taxpayer. However, we must judge that by its impact on the competitive marketplace.

I appeal to the Minister to recognise that it is difficult for a farmer who has just been told that he is to get the non-imposition of a higher charge to interpret that as an additional support for him. If it were an additional support, the Minister would have the most cost-free way of helping farmers imaginable: simply multiplying the charges that he says are necessary, and not applying them. That is monopoly money support.

Mr. Cash: Does my right hon. Friend recall that, some weeks ago, the Prime Minister told the House that there would be no further money available to farmers because, frankly, the money was not the there? Then, the Prime Minister went to Devon a few days later and said that the farming industry was not in crisis. Is it not the case that the Government do not know how to resolve the problem, that they cannot help the farmers and that they are not prepared to deal with the common agricultural policy properly?

Mr. Curry: I agree that the CAP reform agreed in Berlin was thin gruel in comparison even with how the Minister had left it. That is an extraordinary role reversal. Normally, Agriculture Ministers agree on reform and everyone else in government says that it is pathetic and that real Ministers, such as Treasury Ministers, could get a much more radical reform. This time, the Minister agreed a reform that the Prime Minister diluted. It is a remarkable achievement to dilute something agreed by Agriculture Ministers. It is rather like gaining a pass degree at one of the better universities; it is much harder to get than a first, if I may put it in those terms.

On the action plan, there are things there with which we have sympathy, but I am trying to find out the policy ideas that lie behind it. The Government talk about the review of food safety measures in relation to BSE and CJD, concerning the over-30 months scheme in cattle and the future of the meat and bonemeal ban and of the removal and disposal of specified risk materials. The Government repeat the word "proportionality", which we have all got used to.

The Government have asked for a review, and have made sure that it is packed with the world and his wife. There is pretty good cover in the review, and almost

everyone will be implicated. Do the Government think that the review is necessary because proportionality has been disproportionate in some ways? Is the thought process behind the proposal that the system has not been working, or that circumstances have changed and that it can work differently? Are we looking for a different equilibrium?

The Government do not escape from their responsibility. I accept that with the Food Standards Agency, there has been a redistribution of ministerial responsibility, but there is a Government role and it is important to know the Government's thinking. When they talk about strengthening risk assessment procedures, what has prompted that thought process?

I welcome the review of the Meat Hygiene Service, and my hon. Friend the Member for North Shropshire (Mr. Paterson) may wish to raise the issue of a plant with high sheep throughput which has been threatened. *[Interruption.]* To do so, of course, he will have to be in the Chamber. The health rules have a direct impact on costs. The Minister said that he wishes to get EU clearance to use assistants, rather than full vets, in abattoirs. He is reviewing the legislation which relates to the skills of those who work in meat-processing operations. That has a strong cost implication. I hope that he will be successful, because no one has seriously felt that previous practices have led to a food risk in that area.

I agree substantially with what the hon. Member for South Derbyshire said in regard to rural development planning. There will be funding of £1.6 billion over seven years, which will be part-funded by a levy on support, or modulation; I recently had my knee modulated so I know that modulation can be quite painful. That will not get us very far, and the Minister is right that it has to be buttressed with a series of other measures.

It is important to recognise that helping the countryside will not automatically help agriculture. If we are setting out to help agriculture, there is not necessarily a wider spin-off to the countryside. Agriculture is now a small-scale industry, even in large parts of the countryside, and we must not confuse the two terms.

The Minister was right to emphasise the importance of planning rules, but he knows that that is not easy. Most people who come to my surgeries on planning matters do so to ask to get something stopped, not to get something done. It is easy to talk about the use of redundant farm buildings, but a village may not favour that because it is fearful of noise or more traffic. Almost invariably, the argument made against such use is based on the increased traffic flow that will come from it.

The Minister will therefore have to persuade Ministers in the Department of the Environment, Transport and the Regions on the matter. DETR Ministers will not only have to be committed to persuading local authorities to make something happen, but prepared for the subsequent letters to surgeries, as planning rules will not be regarded universally as a popular option.

The Minister was of course right to talk about more active business promotion. I should have thought that he might like to talk more about the active promotion of skills. In the uplands of Britain, half the farmers are over 50. Half of them have no recognised heir wanting to take over the operation, and half of them have no recognised skill of any sort. Very few sites are available for industrial development, as transport links have not been built, and there may well be environmental and planning reasons for not developing them. Additionally, with the best will in the world—simply because of the economics of providing private-sector transport—there is a limit on the extent to which sparse public transport can be improved in rural areas.

Concealed in the countryside, often living alongside prosperous areas, there is a significant amount of what we now call social exclusion. Although social exclusion is not easily seen up in the dales of my constituency, it contributes to a lowered quality of life for many of those who are working effectively for pocket money. So although it is important that we treat agriculture, it is equally important that other action should be considered in parallel, and that rural development should be seen in the round.

My final remarks are on the broader subject of common agricultural policy reform. We need to move closer to the marketplace. The problem is that farmers face continuing absolute uncertainty: they seem to live under the permanently provisional.

Various avalanches are sliding slowly down the mountain. We have the avalanche of the World Trade Organisation slipping slowly down the mountain, with various threats of doomsdays that I do not find entirely convincing. The enlargement negotiations are another avalanche that is quietly slipping down the mountain. We have the constant argument about European budgets, which is another landslip coming down the mountain. Farmers feel that they are in their path. Although the avalanches may not move particularly quickly, and some farmers may be able to get out of the way, there is a permanent sense of unease.

The Agenda 2000 package was inadequate not only because it did not meet the needs of the WTO or set the scene effectively for enlargement, but in its own right. Even without those external circumstances, the package was an inadequate response to the needs of the CAP. The CAP is increasingly anomalous as a command system in a world in which the liberal market economy is in the ascendant.

We all argue—the Government more than many—that we want adopted on the continent some of those more liberal economic measures, which are what we think generate employment, wealth and prosperity. I think that farmers are beginning to believe that, having tried some of the alternatives, they should opt for some of the potentially quite hard certainties that would be imposed on them by depending on the marketplace, rather than continue with the constant uncertainty engendered by not knowing what will happen to the support structure on which they depend.

Such a change would of course require vigour in policing the internal market and we would need to promote the schemes to which the Minister—like the rest of us—is committed to help farmers in their maintenance of the environment. Implementation of such a scheme would in itself be difficult. It is much easier to see how we might do that in the Yorkshire dales than in Chelmsford and East Anglia, simply because of the nature of the geography and the landscape.

One should be cautious, however, before assuming that we are present at the death of farming. As the hon. Member for South Derbyshire said, we are certainly present at the institution of quite radical change—which I

[Mr. Curry]

do not think necessarily relates to size. The key now is whether one owns one's farm and owes no money on it, and whether one employs people. If one owns one's farm, employs no labour and is not in hock to the bank, one will probably be able to batten down the hatches. However, the formula for tenant farmers is even more complex, as they do not have a disposable asset. In my constituency, if tenant farmers want to leave their farms in the dales, there is no way that they can live in the very expensive properties in dales villages.

We shall see a move towards more capital-intensive, larger-scale and perhaps more corporate agriculture. The danger is that, because of amalgamation, we shall also see a move, perhaps necessarily, away from husbandry and towards ranching. Amalgamation will change the nature of agriculture fundamentally.

I hope that, when the Minister reflects on today's debate, he will be able to make it clear—as I think he intended to do in his speech—that he now clearly understands that he has a fundamental duty to ensure that we give our people the best opportunity to compete in the marketplace. Making that change will have financial and regulatory consequences for Government policy. However, if we do not make it, there is no earthly point in complaining about whatever nefarious practices there may be in France or about how continental Governments do things differently. If we do not make it, we shall be the creators of the initial hurdle facing farmers. If the change of culture is upon us, I shall certainly welcome it.

3.45 pm

Mr. Huw Edwards (Monmouth): It is a pleasure to follow the right hon. Member for Skipton and Ripon (Mr. Curry), who—given his experience as an Agriculture Minister—brings to the debate a measured approach, and a more balanced perspective on Europe than many of his colleagues. He rightly mentioned social exclusion in the farming community. Would that the previous Government had recognised social exclusion anywhere, in the farming community or in the urban community, and that there had been greater concern about social exclusion and inequality in the past 20 years. We might have avoided some of the problems that we now face.

I listened with interest to my right hon. Friend the Minister of Agriculture, Fisheries and Food, and I was very pleased with some of his announcements. I was particularly pleased with his announcement that the Inland Revenue is considering the application of the working families tax credit to the farming community, although it is sad that it is being forced to do so. I wonder if Ministers will consider applying the national minimum wage to the farming community. Many farmers in my constituency would like to be earning the equivalent of £3.60 an hour, given the considerable number of hours that they work. Many of them have incomes far below the minimum wage.

Farming is the dominant industry in Monmouthshire. In recent meetings organised by the National Farmers Union and by the Farmers Union of Wales, which I have attended, the crisis in farming has been clearly demonstrated. I was pleased that Christine Gwyther, the Welsh Agriculture and Rural Development Secretary, was able to attend a recent meeting, and I was pleased with her responses to our representations. However, much more has to be done.

The crisis affecting farming reflects the strength of sterling, and part of sterling's strength reflects the success of the Government's economic policies. However, this is not the time to address that issue; we must address other issues, such as the costs of the BSE crisis. We inherited that crisis from the previous Government. I shall not put all the blame on them, but they might have handled it differently. I think that we all await the outcome of the BSE inquiry with some anticipation.

The lack of a long-term strategy for the farming industry is another issue, as are low world commodity prices.

CAP reform has been very slow. I pay tribute to my right hon. Friend for the enormous number of meetings that he must be attending in Brussels to try to secure a better deal for Britain's farming community. We need to reform the CAP, and to move away from some of the traditional price supports and towards more agri-environmental support. We have to decrease the number of burdensome regulations, which seem to be applied so unevenly in different parts of Europe.

Britain has generally high animal welfare standards. It is unfortunate that they are not applied and implemented in other European countries. There is inequity in the conditions facing Britain's farmers compared with those facing farmers in Europe. Although British farmers should not be paralysed by Europe's intransigence, I agree with some of the points made by the right hon. Member for Skipton and Ripon.

It is to the Government's credit that there was a Downing street summit, which was very welcome. It showed that they are listening to the farming community, and that the Prime Minister is intervening in the crisis. If there had been a Downing street summit on agriculture every three years for the past 50 years, we might not have some of our present problems.

It is good to see that the Government are trying to develop a long-term strategy. Some of the measures announced in the action plan for farming are particularly welcome—such as the £60 million support for hill farmers and £22 million agri-monetary compensation for dairy farmers, beef farmers and sheep farmers. That has generally been welcomed by the industry, but we all recognise that although much has been done, much more needs to be done.

In Monmouthshire, the farming community is made up mainly of lowland farmers, with some upland farmers. It concentrates mainly on beef and sheep. Monmouthshire is in a particularly beautiful part of the United Kingdom, and the beauty of the area owes a great deal to the hard work that farmers have put into maintaining the environment, with very little recompense. I invite any hon. Member to come to the Llanthony valley, which is one of the most beautiful parts of Wales. How sad it is to hear of small family farms in that beautiful area having to give up the business.

Mr. Livsey: Llanthony abbey and the valley are on the boundary of my constituency. The young people in that valley can no longer engage in farming because the money is not there. Does the hon. Gentleman agree that Ministers must urgently address the problem of youngsters going into farming, and give them maximum assistance, in conjunction with a retirement scheme?

Mr. Edwards: I welcome the hon. Gentleman's contribution. There are clearly many young people who

would like to have a future in farming, but find that the prospects look bleak. In many cases, their parents would like to retire and allow the business to be carried on—but Europe has paralysed us. A woman farmer phoned me recently and said sadly that her son had refused to go into the farm business and wanted to go to university, but because of the crisis in their family income, they had great doubts about whether they could afford to send him there. That is a tragic catch 22.

I met a farmer recently who had been penalised to the tune of £7,000 for making one inadvertent mistake on an application form for sheep annual premium. That is not natural justice. The Inland Revenue does not treat people like that. I do not know why people in the agriculture industry should be penalised to that extent for simple, inadvertent mistakes.

This morning, I met a farmer who was pleased with some of the announcements from the Downing street summit and anticipated that he might gain about £600 in agri-monetary compensation, but he asked how that could compensate for the £10,000 that he had lost in the past couple of years as a result of the high value of sterling.

Monmouthshire is a beautiful part of Wales where farming is in crisis, but it does not have objective 1 or objective 2 status. Farmers who may wish to diversify—I am sure that many do not, and find diversification a bit of a dirty word—do not get the structural support that they might get if they lived 30 or 40 miles away. We need to allow greater investment in the industry.

There has been a campaign in my constituency for a new market in the middle of Monmouthshire, given the limitations of the present markets at Monmouth and Abergavenny. I have tried to impress on the local authority that it should have an economic development role in farming. Local authorities and other agencies in Wales have been successful in helping with economic development for manufacturing, but they have not engaged much with economic development for agriculture, which is one of the key industries in the area.

Mr. Baldry: I am listening carefully to the hon. Gentleman. When hon. Members make speeches in the House, they usually hope that the Minister will be able to reply to their points. As we have established that the Ministers on the Treasury Bench have no responsibility for agriculture in Wales, because it is a responsibility that has been devolved to the Welsh Assembly, to whom is the hon. Gentleman making his speech? Does not the fact that he feels the need to make a speech on agriculture in Wales show the craziness of having a Welsh Assembly and breaking up the United Kingdom, as his party has done?

Mr. Edwards: With all due respect, I do not accept most of what the hon. Gentleman has said.

Dr. Godman: Similar concerns were raised during the passage of the Scotland Act in 1998. Scottish Members said that they had the right to question MAFF Ministers on matters relating to farming in Scotland. Surely the same holds true for Wales.

Mr. Edwards: My hon. Friend makes a valid point. I only wish that the Welsh Assembly had the same powers as the Scottish Parliament. When I attended a recent meeting of farmers in my constituency, it was interesting that they felt that the problem was that the Welsh Assembly did not have enough teeth. It was refreshing to hear that, because—as I do not need to remind the House—I represent the area that recorded the highest no vote in the referendum for the Welsh Assembly. I hope that consideration will be given to ensuring that the Welsh Assembly has more powers.

Mr. Llwyd: Does the hon. Gentleman agree that as it is Ministers from this Parliament who negotiate with their colleagues on the European mainland, it is clearly right that Welsh matters should be debated?

Mr. Edwards: The hon. Gentleman makes a valid point. It is mainly Ministers from the Ministry of Agriculture, Fisheries and Food, representing England, who go to Brussels to work on the common agricultural policy. I am happy to address my comments to them.

The poultry sector does not get as much consideration in our debates as the more traditional beef and sheep sectors. My constituency has an important Sun Valley turkey processing plant. That sector has also had difficulties, suffering from the differential implementation of animal welfare standards. Poultry farmers have been disadvantaged by the fact that poultry can be fed on meat and bonemeal in Europe, but not in this country. Chicken comes to this country from Thailand and South America, where there are dubious animal welfare standards that would not and should not be tolerated in this country.

Farmers have raised a number of concerns at recent meetings in my constituency. The fall in milk prices is clearly a worry. I sincerely hope that Ministers continue their negotiations with the supermarkets, which now monopolise the market, to ensure a fair deal for dairy farmers. There is scope for movement. I am pleased that the Government have removed the dairy hygiene charges and are reviewing the meat hygiene charges. Those are welcome announcements and I sincerely hope that the relevant statutory instruments are passed in Wales as early as possible.

It is sad to hear young people wondering whether they will have a future in the industry. Usk agricultural college is in my constituency, and I sometimes wonder whether we have given agricultural education the same priority as other areas of education. We believe in the valid principle of lifelong learning.

Mr. Breed: Does the hon. Gentleman agree that it is a shame that agriculture GCSE is not to continue? Some 700 students a year took that examination to help them to go on to agricultural college, and they will no longer be able to do so.

Mr. Edwards: I am interested to hear that, because I was not aware of it. I am concerned that our agricultural colleges should be as vibrant as our business schools. I wonder whether they are getting the investment that they need to provide the lifelong learning, training and management experience that the existing farming community deserves.

Mr. Todd: From my already over-long speech, I struck out a planned reference to agricultural education. Does my hon. Friend agree that an opportunity has arisen for a

[Mr. Todd]

wholesale review of the support that we give to training and education in agriculture? That would be consistent with the Government's strategy.

Mr. Edwards: My hon. Friend makes an excellent point.

Ever more farmers in my constituency want to go into agri-environmental schemes. In Wales, the Tyr Gofal scheme has increased in value from £4 million to £7.5 million this year, and in future years it will increase from £7 million to nearly £11 million. Those announcements are welcome, although scope remains for more resources to go into Tyr Gofal and other agri-environmental schemes.

The Government have increased the resources for organic conversion. There is considerable demand in my constituency, as there will be in many others, for support for farmers to undertake organic conversion, so I hope that the Government will continue to think seriously about the issue.

Let me turn to the subject of slaughterhouse charges. I have in my constituency, in the very heart of Monmouthshire, the Raglan slaughterhouse, owned by the lovely James family. They are struggling because of the veterinary fees that they have to pay. I go to the slaughterhouse to talk to them about their problems—and I am always mighty relieved to get away alive. They are concerned about the very high charges that the veterinary profession, with its monopoly, has imposed on the industry, much to the disadvantage of the small independent slaughterhouse, which provides such an important facility for our local farming communities.

In conclusion, I wish Ministers every success in their negotiations on common agricultural policy reform. Farmers work exceedingly hard providing high-quality food to feed our people, and maintaining the environment. They deserve a better deal than they have had in recent years, and I wish my right hon. and hon. Friends every success in working to achieve a better deal for farmers in the future.

4.1 pm

Mr. Colin Breed (South-East Cornwall): I suspect that all right hon. and hon. Members agree about the need for reform of the common agricultural policy. Much of the frustration that has been caused has been to do with the speed of reform. It was surprising that the Minister of Agriculture, Fisheries and Food should remark how successful he thought that Agenda 2000 had been. Many people, not only in the House but those working in agriculture, were extremely disappointed at the relatively modest reforms that were ultimately achieved.

We have to ask ourselves whether there is another agenda in the process. Enlargement is on the agenda, and many countries have indicated that they are in favour of it. However, I sometimes wonder whether they do not want enlargement to take place particularly quickly, and look on reform of the CAP as a break in the enlargement process. The difficulty is to reach agreements that allow us to proceed and reform the CAP with any speed.

It is clear that European Union member states will have to move away—gradually, and whether they like it or not—from direct subsidy for production and towards a policy to support wider rural development, for which we and others are pressing. The CAP will be entirely different in a few years. I hesitate to suggest that it might become a common rural and agricultural policy, because that has an unfortunate acronym. However, that is the way in which the agricultural policy must go. It must be much more responsive to the marketplace and to rural concerns.

I, too, welcome the farming summit, although it took place a little late—we have been calling for one for quite some while. Although there has been little progress on CAP reform, many of us hoped that the summit would take place earlier. However, it has not really changed anything. Agriculture is still in crisis. Some prices have improved marginally—some farmers are approaching the glory days of breaking even, but that will not compensate them for the huge losses that they have incurred over recent years.

Last year was a poor year for farm incomes, and now we learn that they are likely to fall again this year. The misery will continue for many of our farmers and growers. We are concerned with the speed at which change should happen, and the way in which we see the future. For the rest of this year and probably for part of next year, a huge change in the weakness of the euro against the strength of the pound is very unlikely. Yet I cannot see what the Government's strategy is in dealing with that problem. We will have to live with it, and we need to know that there is at least a strategy for dealing with that uncompetitive currency situation.

Regulation continues to hamper the competitiveness of our farming businesses. I was extremely pleased to learn that 98 of the 107 recommendations have been accepted by the Government. However, I would like to see a timetable for the introduction of those measures. That will enable farmers to feel confident about the way in which they manage their business under the new deregulated, lightly regulated, or differently regulated scheme.

Concern has been expressed about the problem of the MAFF regional service centres. There is a growing disquiet that farmers will not be able to access the information that they require to fulfil their obligations on their integrated administration and control system forms or any other type of regulation. They have had the luxury of being able to speak directly to the officials dealing with their forms and their circumstances, and who would be understanding. The hon. Member for Monmouth (Mr. Edwards) gave the terrible example of someone who made an honest mistake and paid dearly for it.

My hon. Friend the Member for Somerton and Frome (Mr. Heath) mentioned appeals, and we need to consider that issue. Of course there have been deliberately fraudulent claims, but they are relatively few. The overwhelming number of mistakes on these highly complex forms have been made because farmers have been unable to complete them absolutely satisfactorily. They have paid significant sums in penalties for their mistakes.

The additional costs on the industry have not melted away significantly since the farming summit. Most of them still exist. Animal welfare costs, which are not borne by competitors abroad, will be with us for the foreseeable future. However, there are others hovering around, such as the new integrated pollution prevention and control regulations, the welfare regulations on egg production, the climate change levy and its effect on horticulture. Even

the pesticide tax is still hovering in the background—it has not been dismissed as if it will never be introduced. Those additional burdens are on farmers every day. We must speed up the implementation of the objectives with which we all agree.

Uncertainty in the industry is the major obstacle to recovery. Farmers find it difficult to plan their business—farms are businesses, and they need business plans—bankers do not have much confidence in farming incomes in the future, and costs may be visited upon farming businesses at any time.

In addition, there are the potential problems of planning, which have been aired in the debate. Planning will play a critical part in the process of recovery and diversification. It will be possible to put some pieces of land to alternative uses, but not all.

Only this week I have been trying to assist a constituent who was a pig farmer and who is now hoping to be able to build an observatory. There is still some quite clear air in Cornwall and occasionally, when it is not raining, there is a clear sky. There are good opportunities for those people who want to spend a few days learning about the stars, for example.

There have been negotiations for seven, eight or nine months on the building of an observatory and the provision of some farming accommodation. It is difficult to imagine the problems that have ensued. I am certain that the planning officers are following planning guidance to the letter, but whether they are doing any great favours to the area in which they are operating needs to be questioned.

The farm summit was the Government's attempt to help the industry back on to its feet. It was welcome, but a few months on we are waiting for the money. Farmers are waiting to see how they can get their hands on it so that they can keep their business together and continue to face the bank manager and their suppliers. Gaps have appeared following the summit, and when the Minister of State replies she might address them.

For example, the aid announced for hill farmers is less than they were receiving in some instances. Some of the aid will have to be used for consultancy. It will not go direct to farmers, but it will enable them to obtain a consultant's report.

I have tried to quantify the money that will be made available for marketing. I agree with the Government that as farm subsidies are reduced, it is vital that we concentrate on the demand side and increase it. Marketing will play a significant part in that process. The marketing budget of a major plc is often up to six times as much as the money that agriculture will supposedly be able to use to market produce in the UK and abroad, a sum which is entirely inadequate. That is not to say that we do not welcome it or that we eschew it, but enormous sums are being spent on marketing and the industry should have proportionate funds.

The Minister of State, Ministry of Agriculture, Fisheries and Food (Ms Joyce Quin): The hon. Gentleman may be referring to the agricultural development scheme, for example, which is up and running. I remind him that marketing is part of the rural development regulations. The demand for marketing in the different regions can be reflected in some of the regional priorities under rural development plans.

Mr. Breed: I thank the right hon. Lady for that clarification but I do not think that it changes what I am saying. The annual report of a large public company will set out the moneys that are being spent in promoting its brand, product and everything else. The sums are extraordinary. We are deceiving ourselves if we say that we shall see a significant improvement in both domestic and foreign demand for farming produce, given the budgets that the Government are suggesting.

The industry does not have the money to market its produce. It is to be hoped that those that sell it—for example, supermarkets—will be prepared to put some money into marketing for their own reasons. The moneys that are now available are clearly not sufficient.

In December 1999, the Minister announced the introduction of a limited form of modulation at a flat rate of 2.5 per cent., rising to 4.5 per cent. in 2005–06. The process of going into modulation was controversial, but we on the Liberal Democrat Benches had supported it for quite some time. However, the flat-rate modulation has some drawbacks, which we need to identify. It hits hardest those farmers who can least afford the loss of subsidy. That is much to be regretted because the farmers concerned feel rather hurt.

The low level of 2.5 per cent., although I accept that it is a starting level, is too low to free up sufficient funds, even on a matched basis, to provide a significant boost for rural development schemes. I know that modulation will roll on, but when it came to an up-front boost it was not significant.

The way in which modulation will be introduced was not among the models that were agreed by the Commission. I assume that a flat-rate scheme would need the specific approval of the Commission. Perhaps the Minister will clarify whether that approval has been received or has been applied for.

We believe that the present modulation scheme, although welcome, is flawed. It is a new model scheme but there are other options available, which already have Commission approval. We would promote a tiered structure of modulation, which would ensure that those in greatest need of aid would continue to receive it, while freeing up more significant funds to deal with the important business of rural development and environmental protection. However, the Government seemed to allow that system to pass by. Perhaps they considered it and decided against it. Perhaps also they will tell us why they came to that view. Many smaller farmers would have felt that such a method of modulation would help them.

I do not know whether the representatives of small farmers were present at the summit or whether their views were represented. However, it seems that the system of modulation that is to be introduced does not suit their circumstances.

The pressures of World Trade Organisation and European Union enlargement mean that the supply subsidy is finite, but to what extent I do not know. We need to work on the product of which our farmers and we are rightly proud. We must add value to the product and then market it with force, both here and abroad. That initiative needs additional financial support, among other things, to get the demand side moving.

[Mr. Breed]

We have raised previously the early retirement scheme. The Minister was frank some months ago when he said that the Government had considered it closely and carefully. It had been costed and he said that it was deemed not to be value for money. We took that to mean that many farmers would be retiring anyway, and thus to provide them with an additional sum in those circumstances would not be a good use of taxpayers' money.

The truth is, however, that many farmers are not retiring. That is not because they do not want to but because they cannot. They are locked into a progressively more miserable situation. They cannot extricate themselves, and that applies particularly to tenant farmers. A growing number of farmers of increasing age want to retire but simply cannot.

Remarkably enough, many other people would like to go into farming, but are being locked out. They cannot find a way into the kind of unit—a small farm or a tenancy—that they could take on. I hope that the Government will reconsider an early retirement scheme. It need not be so broad as to include everyone who the Minister suggested would benefit unnecessarily. It could be targeted at those who are locked into circumstances from which they would wish to extricate themselves. It could also offer opportunities to new blood coming into the industry.

A retirement scheme that could tackle those twin objectives would not be enormously expensive. A targeted approach would provide an opportunity to revitalise farming, bringing in people likely to be able to diversify, use the land for different purposes, employ new techniques and go into organic production. Unless we change the personnel in our agricultural industry, we shall not see quick enough change. The industry will grind slowly on.

An early retirement scheme is an essential part of the Government's master plan. I agree with their medium and long-term strategies, but an early retirement scheme would allow their aims to come to pass much more quickly. It would also have the benefit of retaining more small farm units. Without that, holdings will simply become larger, preventing even more people from getting started in farming on their own account. Farmers and growers need sustained support at this critical time.

Mr. Tyler: My hon. Friend makes a persuasive case for a comprehensive interdepartmental approach to farming and rural concerns. Did he notice an answer that I received yesterday from the Minister for the Cabinet Office? She wrote:

> Primary responsibility for rural policy lies with my right hon. Friend the Deputy Prime Minister while the Cabinet Committee on Rural Affairs, which I chair, will play an important co-ordination role.—[*Official Report*, 10 May 2000; Vol. 349, c. 432W.]

Does my hon. Friend find it significant that there is no mention of a role for the Ministry of Agriculture, Fisheries and Food in the development of rural policy? Does he believe that the time has come for a better interdepartmental vehicle that would achieve the comprehensive approach that he is advocating?

Mr. Breed: Yes, it is somewhat surprising that MAFF was not mentioned. I suspect that that was a slip, and hope that the Minister will tackle the point.

I agree with the Government's objectives, and we all want reform as well as protection of our environment, all of which must happen more quickly than at present predicted. I hope that the future will not charge us with delaying the improvements that we want in the CAP, in enlarging the EU, in protecting the countryside, in allowing diversification and in ensuring that agriculture remains an important part of our rural life. If we do not get the time frame right, people will drift out of the industry, our environment will not be protected and the CAP may become the means by which enlargement of the EU never takes place.

4.24 pm

Mr. William Thompson (West Tyrone): I welcome the debate on agriculture and the common agricultural policy of the European Economic Community. I go back long enough to have heard the original debate on whether Britain should enter the Common Market. We were told in the referendum debate at that time that it was simply a common market that would allow us easier access if we wanted to sell to other parts of Europe. We were told that no great change could take place without unanimity and that if Britain wanted something not to happen, we could veto it easily. That was what the people of Britain voted for when we went into the Common Market.

Over the intervening years, matters have proved not quite so simple. Europe has intervened in every aspect of our lives. It becomes ever clearer that we are heading for some kind of united Europe. The common agricultural policy probably worked in its first years, but Britain is now disadvantaged by it. Our economy does not equate with those of many other European Union countries, and that puts us at a continual disadvantage. Furthermore, when we wish to advance policies that are to our advantage, we generally find that they are not advantageous to the other countries. When agreement is required among the countries, we tend to end up at a disadvantage.

The farming industry faces considerable difficulties—enlargement of the EEC, the lowering of world prices and the pressures of the World Trade Organisation for more even competition—all of which increase pressure on the CAP. We are finding it difficult to amend the policy. The Minister has told us that progress has been made on the Agenda 2000 settlement. That may be so, but there has not been enough to allow us to deal with the difficulties that farmers face.

Northern Ireland has a greater difficulty in that it has a land border with the Republic of Ireland. For some peculiar reason, the Republic always seems to do better than the United Kingdom in negotiations. Our farmers in Northern Ireland are sometimes at a considerable disadvantage to those in the Republic of Ireland. Those who want a united Ireland always say, "Look how much better it would be if we were united so that you in Northern Ireland could have all the advantages that we have in the European common market." That does not go down well with the Unionists.

I welcome the interest taken in Northern Ireland by the Minister of Agriculture, Fisheries and Food. He has visited us several times and shown great sympathy with the plight of farmers, especially pig farmers. Of course, even though there is no European regime for pig farmers, Europe still has to agree with everything that happens. Much negotiation and agreement still has to take place before the actual money comes to pig farmers.

I welcome the fact that there will be two forms of support for pig farmers—especially the outgoers scheme. The Minister said that there would need to be a stipulation that farmers must not go in again, but it seems unlikely that a pig farmer who had been put out of pig farming would want to go back. Those farmers have been destroyed—many of them face large debts from the banks and virtual bankruptcy. The prospect of their going back seems remote. However, I welcome the efforts being made to help them, and the fact that the scheme will go back to June 1998. Hopefully, some aid will be given. The farmers who have stayed in the industry also need help; it is necessary for reconstruction to take place. I welcome the Minister's comments on that point.

A prevalent issue in Northern Ireland is the move to designate it as an area of low incidence of BSE. I appreciate that the Minister has cottoned on to that idea and has given it as much support as he can. Originally, I thought that the matter was simple, but I have discovered its complexity. Although farmers are looking forward to that designation, in the hope that they will be able to sell their calves and get rid of their animals more quickly, there are several disadvantages. The General Consumer Council for Northern Ireland expressed grave concern that, if we become a low-BSE area, it might not be possible to import to Northern Ireland some of the products that are currently imported.

Some factories in Northern Ireland have also expressed concern. At present, they bring in meat from the mainland for processing; it is then sent back to the mainland. That may not be possible under low-incidence status. Those problems need to be researched to find a satisfactory solution.

The idea that everything in the garden will be rosy if we receive that status is open to question. At present, Northern Ireland can export cattle, but in fact there are no such exports. That is because so many rules and regulations have to be fulfilled—such as designated factories or parts of factories—that, unless there is a high output of cattle, export makes no economic sense. There is no supply of cattle for export.

Furthermore, some farmers unfortunately do not keep such accurate records as they should, so they cannot export their cattle. I support the view, expressed by the permanent secretary at the Department of Agriculture and Rural Development, that those farmers need to bring—and keep—their records up to date. If they fail to do so, they will be at a considerable disadvantage.

The over-30 months scheme has been mentioned. Will that scheme continue if Northern Ireland receives low incidence of BSE status? That proposal raises many questions. I realise that the Minister is doing his best. He has received representations from many companies and other sources. I hope that he will be able to produce a scheme that is accepted by Europe, that will disadvantage nobody and that will help farmers in Northern Ireland.

I welcome the relaxations in planning laws, so that, if diversification takes place, it will be easier to obtain planning permission.

Over the past few years, farmers have had a difficult time and they are greatly in debt. Recently, we have been encouraged in Northern Ireland by the good weather. There was a tremendous amount of rain and the ground was extremely wet. However, the fact that we have had several weeks of good weather has at last put a smile on farmers' faces. Perhaps things are changing and the outlook may be better than they anticipated some months ago.

4.36 pm

Mr. Christopher Gill (Ludlow): It is a great pleasure to follow the hon. Member for West Tyrone (Mr. Thompson). I agree with much of what he said.

I make no apology for the fact that my remarks are not the received wisdom. I speak from the perspective of someone who has spent a lifetime in the meat and livestock industry, earning a living on both sides of the farm gate, both as a practical butcher and as a practical farmer. At the conclusion of my speech, I shall pose two straightforward and fundamental questions—one to the Government and one to my hon. Friends on the Opposition Front Bench.

Not surprisingly, the debate so far has concentrated on the detail and the mechanics of the CAP. I want to focus on the principles that are at stake. I trust that hon. Members on both Front Benches will do me the courtesy of responding to my questions to show that, at least, they recognise the importance of a comprehensive debate on such important matters, rather than simply going through the motions.

In a recent bulletin, Lloyds TSB Scotland stated:

> The current state of the agricultural industry is unsustainable in the longer term.

I agree. However, what can we, as parliamentarians, do about that regrettable situation? The truthful answer is, "Not much".

Speaking at the annual general meeting of the Farmers Union of Wales, its president, Bob Parry set out an eight-point action plan, which included the demand for

> greater powers for the Welsh Assembly so it could find Welsh solutions to Welsh problems.

What a wonderful aspiration—but what is the reality? It is that there can be no Welsh solutions to Welsh problems, any more than there can be English solutions to English problems.

Under the CAP, virtually the only solutions permitted are European ones, decided on by the EU, collectively, in Brussels. Let us consider, for example, the pig industry—of which I have some experience and in which I declare an interest. That industry would like a British solution to its uniquely British problems. It would like, for example, to spend the £26 million aid package announced in March primarily on restructuring among producers. However, EU regulations dictate that the funds available should first be spent on an outgoers scheme. Given the dramatic reduction that has already occurred in the national pig herd, that is the last thing the British pig industry needs, if, as a nation, we are to avoid becoming ever more reliant on imports.

Right hon. and hon. Members, who have campaigned on behalf of their pig farmer constituents for the past two years will have experienced the frustration of finding every avenue that they explored blocked by the decrees of the collective in Brussels. The plain fact of the matter is that neither the Government nor Parliament can make the decisions so desperately necessary to salvage what is left of the British fishing industry and the British agriculture industry. The authority to make those

[Mr. Christopher Gill]

decisions is no longer ours. Under the terms of the European treaties, decisions have to be made by the collective in Brussels.

Let us take but one example. The Government recently set up the meat industry red tape working group—the Pooley committee—to investigate the problems of the abattoir sector, in particular, and to report back. The Pooley report followed and, generally speaking, the Government agreed with it and accepted most of its 35 recommendations. However, in the case of two of the most important recommendations—precisely those on vets that led to the peremptory closure of the Mead Webber sheep abattoir in Herefordshire two weeks ago—they could do nothing. That was not because the Government were unwilling or disagreed with the recommendations or because they would cost a lot of money, but simply because the Government would first need to obtain EU approval. Shakespeare had a line for it:

> The fault, dear Brutus, is not in our stars,
>
> But in ourselves, that we are underlings.

Members of the House—past and present—bear the guilt and the shame of having given away the powers by which we might otherwise have been able to help our fellow countrymen. In so doing, they gave away that which was not theirs to give away in the first place—the sovereign right of the British people to be governed by their own laws made in their own Parliament by their own people.

Instead, we are now run by a collective. How else can one describe a regime in which the centre tells the fishermen what they may catch, in what quantities, in which sea areas, where they may land their catches and, effectively, at what price? That is all done in the name of conservation, but not a single fisherman at sea today does not have to throw back dead into the sea more fish than he lands.

In the Russian republics, collectivisation of agriculture failed; in North Korea, to this day, people starve because of the failure of agricultural collectivisation that is distinguished from the EU model only in so much as, whereas the Korean model has brought about shortages, the European model has created surpluses. At what cost?

Mr. Baldry: Will my hon. Friend give way?

Mr. Gill: No, I will not give way.

The European model has been carried out at the cost of greater demands on the taxpayer, higher prices to the consumer and a burden of bureaucracy that is beyond belief to those who recall farming as it was before the common agricultural policy.

Mr. Baldry: Will my hon. Friend do me the courtesy of giving way?

Mr. Gill: No, I will not give way.

Last November, in early-day motion 62, I called on the Government

> to open urgent negotiations with other EU countries to bring about a change in the treaties so as to make country of origin labelling mandatory throughout the Community.

I called for such labelling for meat—plain and simple. However, what we get is yet another bureaucratic nightmare.

According to a report in the *Farmers Guardian* on 21 April

> all beef sold in member states will have to be labelled by country of origin from September 1.

So far, so good. However, the report adds:

> The new measures will also mean all beef sold will have to be labelled with the abattoir number and country of slaughter.
>
> The label will also have to record the date of slaughter, the reference identification number of the animal and the category of animal—heifer, steer or bull.
>
> Ministers also agreed from January 2002 . . . the beef label will have to include details of the place of birth and fattening of the animal along with its slaughter details.

What do Governments—and individual politicians who should know better—say about all those unsatisfactory matters?

Mr. Baldry: If my hon. Friend will give way, I shall tell him.

Mr. Gill: I shall give way to a former Agriculture Minister.

Mr. Baldry: I am very grateful to my hon. Friend for doing me the courtesy of giving way. Is his powerful argument advocating that we should leave the common agricultural policy or that we should leave the European Union altogether? The measures that he is proposing are clearly contrary to Community law, so the logic of his argument must be either that we leave the common agricultural policy or the European Union altogether. Which is it?

Mr. Gill: The short answer is that I advocate repatriation of control over agricultural policy to this country and to this Parliament, so that the people who understand British agriculture, are responsible for British agriculture and have to face their constituents who are involved in British agriculture can give satisfaction in a way that we simply cannot do under the present regime.

I am sure that my hon. Friend will forgive me for being so blunt, but people like him say that we must reform the common agricultural policy. The question for them is how they would do that. Do they not recall how Agenda 2000 was emasculated by the vote of the French; do they not understand that, unless there is unanimity, the fundamentals of the CAP cannot be changed; and do they not understand that, if reform is achieved by qualified majority voting, it is as likely as not that the matter will be challenged in the European Court by countries alleging discrimination and will be struck down?

Being nice to the Germans, the French, the Italians or the Spaniards is not the answer. The point is that what we can do and how we can do it are all prescribed in the treaties. There is no latitude or tolerance; there is only the law.

My question to the Government is this: by what means or methods will they bring about any fundamental or meaningful reform? Let me remind the House that a collective can, by definition, only act in the interests of the collective. It self-evidently cannot act in the separate interests of its component parts. The notion that the

agricultural collective can deliver what is best for Britain is a delusion. Equally, it is absurd to believe that it can deliver what is best for the agriculture industry of any other individual member state. If I am wrong, those on one or other Front Bench will have an opportunity at the end of the debate to tell me why.

My second question is addressed to those on the Conservative Front Bench. They will know that my credentials as a Conservative are impeccable. I have been a Conservative all my life; I was born into a Conservative family and I am a Conservative by conviction and consistently so. I am opposed to big government and state interference; I believe in individual freedom, low taxes and free markets. I am not a collectivist; I reject the whole concept of collectivism.

The question for my hon. Friends on the Front Bench is why our party, the British Conservative party, continues to support a policy, reformed or unreformed—it makes no difference—that owes more to communism than to conservatism. Members of the shadow Cabinet should not be surprised at this question; they have heard it before and they will not be surprised to hear me say that they will hear it again unless they recognise that collectivism and conservatism are mutually exclusive. One is the antithesis of the other. My party will not, and cannot, prosper until it comes to terms with that ineluctable truth.

Only politicians, by dint of that collectivist policy, could have brought about a situation in which every sector of British agriculture is depressed. It does not matter how the British farmer or fisherman votes, as he gets the same whether he votes Labour, Liberal Democrat, Plaid Cymru, Conservative or Scottish National party. He gets the common agricultural policy, which is effectively decided by people whom he does not elect and cannot hold to account. However he votes, he gets what is decided for him by the collective.

That cannot be right. As a Conservative, I say categorically that it is not right. Conservatives believe in choice, diversity and—not least—democracy. At the next general election, I trust that we as a party will put that before the British people, especially those working in our once-great farming and fishing industries, for whom there is currently no light at the end of a very long and very dark tunnel.

The motion that we are considering speaks of negotiating

> an outcome which takes account of the interest of UK producers, consumers and tax-payers alike.

That is platitudinous nonsense. The CAP has failed on every count and has done so comprehensively. It has failed producers, consumers, taxpayers and the nation. The crisis in agriculture is not new: it has not just appeared from nowhere. The current state of affairs has been building for the past 28 years, ever since we joined the benighted CAP. For half that time, and throughout my membership of the House, I have consistently warned that it would all end in tears, and so it has.

I shall end with a quotation from Pericles for my colleagues:

> Remember that Prosperity can only be for the free, and that freedom is the sure possession of those alone who have the courage to defend it.

4.51 pm

Mr. Bill Rammell (Harlow): It is a pleasure to follow the hon. Member for Ludlow (Mr. Gill). Given the enormous damage that divisions on Europe did to the Conservative party at the election, I am pleased to hear that such divisions are clearly still very much alive. Long may that continue.

I shall make a brief contribution to our debate, prefacing my remarks with a criticism of all parties involved in it. Regrettably, our debates on fundamental issues affecting the governing of our country through the European Union are ill attended by all political parties. Everyone should take that criticism on board.

Anyone interested in the issues that we are discussing knows that farmers throughout the country face real problems. For three years, there have been substantial falls in farming income. Despite farming's image as a prosperous industry providing for prosperous communities, such a reduction in income is bound to have a lasting and disastrous impact on farming communities. I have talked to local farmers, and those in their 30s and 40s say that they regret going into the industry, and would not choose it if they were starting out today. That is a serious cause for concern.

The problems that we are experiencing are by no means unique to this country; in many ways, they are a worldwide phenomenon. Low world commodity prices are the result of over-supply, following the collapse of import markets in Russia and the far east. There is nothing that this Government—or, indeed, any other—can do directly to manage that position more effectively.

However, farming problems are worse in Britain than elsewhere for two principal reasons. First, the BSE crisis is having a continuing impact on the livestock sector. Whether that crisis was the result of accident or error—the inquiry will throw light on that question—it is indisputably having the single most serious impact on any part of British industry, probably since the second world war. We are still suffering the consequences.

The second factor peculiar to Britain is the sterling-euro exchange rate, which has resulted in cheaper imports, especially food, being sucked in and our own food exports becoming more expensive and less competitive. CAP payment rates are calculated in euros, so there is a further impact on farm incomes.

We are experiencing both a worldwide phenomenon and particular problems in Britain, and the Government have responded exactly as we would expect a responsible and sensitive Government to respond. From the Downing street summit emerged the action plan providing more than £200 million in additional support for the pig industry and dairy farmers. That package includes all the agri-monetary aid permissible under EU rules, and it is worth contrasting it with what happened under the Conservative Government. The Conservatives criticise us, but since entering office the Labour Government have, under those rules, granted £551 million of aid through that mechanism, That aid was not provided under the Conservatives. Additional support is being given to hill farming, where some of the worst problems are experienced. Rural development plans, with matched funding of £472 million, have been drawn up. All that adds up to short-term assistance that provides a breathing space and sensitive support for longer-term restructuring and diversification in farming.

[Mr. Bill Rammell]

During debates such as this, the Government say that they are responding to the problems, and the Opposition say that the situation is dreadful and the Government are doing nothing. It is therefore instructive to listen to those who are directly affected—those working in farming. After the Downing street summit, Ben Gill, president of the National Farmers Union, gave due recognition to the import of the decisions that had been made. Even the Country Landowners Association—not one of the Government's natural supporters—said that the summit and the resulting aid package provided the short-term help for which it and the industry had been asking.

Mr. Hayes: To cut across the partisan interpretation of the aid packages, will the hon. Gentleman tell us precisely what the Government have done to support arable farmers such as those in my constituency, especially tenant arable farmers? He talks about hill farmers being helped, but tenant arable farmers are in at least as bad a position as they are.

Mr. Rammell: I throw back the question: what did the previous Government do? To pretend that farming does not face major long-term problems does a disservice to farmers, and to pretend that any Government, past or present, have to hand all the solutions to those problems and the money to implement them is false and does a disservice to those whom we represent. When I talk to farmers in my constituency, I find that although they have been traumatised by the changes that have occurred and are concerned about the future, they are realistic: they know that there is no quick fix to the problems and they respect and support the Government's course of action.

It is instructive to contrast the Labour Government's actions in respect of the problems facing farming with the Conservatives' actions in similar circumstances. Processes of economic restructuring and change are always going on in all parts of our society, and the role of Government in those circumstances is to help and support people through that process of change. Under the previous Government, we experienced restructuring of the mining industry, in which a process of economic change and industrial transformation was taking place. To say that that Government stood on the sidelines gives them too much credit; they exacerbated the process and made it more damaging to and difficult for the communities it affected. Contrast that with the Labour Government's actions and we see a very different, far more sensitive, approach to change.

The crisis in farming causes us to reflect on the purposes of agricultural support, specifically in the context of the CAP. The CAP was created in the post-war years, when a wholly different set of circumstances prevailed. The system of production subsidies was established to insure against food shortages. That was a legitimate reaction following the war, but we have different problems now.

The modern justification for agricultural support is founded less on the need for food security and more on the environmental, social and economic role of agriculture in rural areas. The Government are right to focus on that and to support the process of change and diversification.

Some progress was made at the Berlin summit, where we secured a package of reform worth about £65 a household to Britain—about £500 million. That was a new achievement, but it is clearly nothing like enough. There would be cross-party consensus on the fact that we need to go much further, especially in the context of the challenge of European Union enlargement. All parties are signed up to that and, on the face of it, support it, but the major problem is that the common agricultural policy was certainly not designed for 27 different countries—indeed, there is a question mark over whether it was designed for 15.

Under the current rules, if Poland joined tomorrow, according to the most recent figures that I have seen, it would soak up 60 per cent. of CAP funds. That statistic clearly underlines the absolute necessity, if we are serious about enlargement—which we should be, for a whole series of reasons—to reform the CAP further.

We must ask ourselves seriously and honestly how we are to achieve that reform. About a year ago, I went on a European Scrutiny Committee visit to Germany and talked to the German ambassador and German politicians. I was struck by the significant consensus between British and German politicians on the reforms that are needed. As Conservative Members have said, the French Government appear to be especially conservative in their attitude and actions on such issues.

From those discussions, I got a real sense that we had missed an opportunity over the years because we were not fully engaged in the European Union and were not the active partners that we are now. We missed the chance to build bridges, especially with the Germans, and to move away from a Franco-German axis directing the Union's affairs towards the more broadly based leadership in which Britain plays a part and can secure the significant changes that we need.

I agree wholeheartedly with my hon. Friend the Member for Monmouth (Mr. Edwards) about the problems with the byzantine complexity of the current common agricultural policy rules, the forms that farmers have to fill in and the processes through which they have to go. That criticism could be made of many European Union funding programmes. One almost needs a degree in form-filling to get through the process.

I do not for a minute minimise the problems of fraud in the European Union, but a careful reading of the report of the Court of Auditors shows that often we are talking not about fraud but about genuine mistakes, because people do not understand the system and have an honest problem with the forms. Liberal Democrat Members seem to agree with that. We constantly debate the issues and highlight the fact that the processes are far too complex and difficult and cause honest people to make honest mistakes, yet we never seem to be able to resolve the problem. The Government are arguing for the changes that will help us to achieve that.

We need also to focus on the changes that are needed in farming generally, and on organic farming in particular. My hon. Friend the Member for Monmouth commented on that subject. Consumers want more organic farming. I do not pretend that that is a majority view, but increasingly consumers want wider choices in the food that they eat. The Government have made some progress. In the last year of the Conservative Government, only £600,000 was spent on supporting conversion to organic production. We are spending £11 million a year, and there are indications that that will double in the next four years.

Mr. Andrew Rowe (Faversham and Mid-Kent): I thank the hon. Gentleman for giving way. Does he agree

that if the organic farming movement is to have any chance of success, a great deal will depend on the labelling of those products? Does he consider it unfortunate that attempts to reform the general labelling of agricultural products have been blocked by the Government?

Mr. Rammell: I do not believe that such attempts have been blocked by the Government. The labelling of agricultural produce is within the competence of the European Union, and we must get support to achieve those changes. That is what the Government are arguing for, and what we should all try to achieve.

There has been increased support for organic farming, and still more is needed. I hope that as a result of the comprehensive spending review, there will be further movement in that direction.

I shall comment on some of the alternative strategies and tactics proposed by the Conservative party to support the farming industry. We heard the hon. Member for Ludlow (Mr. Gill) advocating what might be described as the unilateralist option—for example, that we should go for a ban on imports because we are worried about what the EU is doing through the CAP, that we should adopt unilateral action on food labelling, and that we should introduce state aids that are illegal under EU law.

Whether that is right or wrong in principle, it does not work. We need only think back to the beef ban that the previous Conservative Government initiated at the height of the BSE crisis to see that such measures do not work. The beef war was initiated in a fervour of enthusiasm, and lasted for 31 days. Even the previous Conservative Government, divided to the core as they were on the subject of Europe, realised that that is not how results are achieved in the EU or anywhere else.

The further problem with arguing for unilateralist solutions is that we have more to lose than other countries, with £10 billion-worth of British food and drink exports supporting British jobs and British communities. All that would be put at risk.

I turn to the relationship between Britain's attitude to the single currency and to the CAP. I support the Government's position. They are in favour of British membership of the single currency in principle, and have set out five realistic and sensible economic criteria to be met. Once those have been met, the Government will recommend to the British people in a referendum that we should join. However, I know in my bones that some of the problems that farming is facing, and that British manufacturing is also facing, are caused by an overvalued pound. Farmers and manufacturers recognise that.

Were we to adopt the Opposition's head-in-the-sand approach and argue that we should stay out of the single currency indefinitely, regardless of the economic circumstances or the possible economic benefits, we would be promising British farming and manufacturing industry a permanent overvaluation of our currency, causing us major problems in competitiveness, which would have a direct impact on jobs and communities.

When I discuss these issues with farmers in my constituency, they understand that. Farmers' views on the single currency are far more positive than those in the country as a whole. Because of farmers' experience of the consequences of the argument that we should stay permanently out of the single currency, I believe that the National Farmers Union has a role in arguing the opposite case, and turning the tables on the Conservative party when it advocates saving the pound. The consequence of saving the pound would be the loss of jobs, as people will increasingly recognise if we put off indefinitely dealing with the question of British membership of the single currency.

Let me comment on a couple of points raised by Opposition Members. The hon. Member for West Tyrone (Mr. Thompson) presented the familiar argument—I have heard it here before—that there is a determination to head towards the establishment of a united Europe, in which we will lose all sovereignty. The hon. Gentleman nods, confirming what I have said.

Having talked to politicians and civil servants throughout the European Union, and having read every available document on the subject, I see nothing like majority support for such a future for the European Union. I see nothing like majority support for total qualified majority voting, tax harmonisation or any of the other evil spectres raised by Opposition Members.

The hon. Gentleman contrasted the support provided for farmers in the Republic of Ireland with that provided for those in the north of Ireland. Clearly, that will result partly from the response to different levels of economic growth. However, I also think that other countries have been more successful than Britain in securing what they need for their people through the European Union, partly because they have been more actively engaged in the process over the past 20 to 25 years. They have participated more fully, and have argued more effectively in fighting their corner.

I respect the passion and conviction shown by the hon. Member for Ludlow. I disagree entirely with his analysis, but I genuinely believe that someone who did what he did during the last years of the Conservative Government must sincerely believe what he is saying. As I have said, however, I disagree with his analysis. He suggested that the problem of farming in Britain and the problem of the common agricultural policy were really problems of sovereignty. According to him, if we were not in the European Union and were not partners in the common agricultural policy, we would not have these difficulties.

I reject that completely. If we were outside Europe—if we were outside the common agricultural policy and the European Union—we would still face the problem of world over-supply. We would still face the problem of an overvaluation of the British pound. We would still be dealing with the legacies of BSE. The suggestion that if we depart from the CAP and leave the European Union all the problems of agriculture will suddenly be resolved is at best fool's gold, and at worst gives farming communities hope that is not justified.

When the hon. Member for Ludlow was talking about reform of the CAP, I was astonished by a comment made, from a sedentary position, by the hon. Member for South Holland and The Deepings (Mr. Hayes). I am sorry to mention this now, because—although I did not realise it until just now—the hon. Member for South Holland and The Deepings is no longer present. I thought that I heard the hon. Gentleman, who is a vice-chair of the Conservative party, say, "That is the Vichy argument". The ill judged use of that language of war shows me more than anything how far the Conservative party has moved from the mainstream on these issues, and it will have to face up to that one day.

[Mr. Rammell]

I support the Government's aims, which the National Farmers Union recognise as being in the best interests of diversifying our farming communities and providing the realistic and longer-term support that farmers need.

5.14 pm

Mr. Tony Baldry (Banbury): I agree with the hon. Member for Harlow (Mr. Rammell) that it is disappointing that more Members have not taken part in the debate. I see that my hon. Friend the Member for Ludlow (Mr. Gill) is disappearing; I am going to mention him, and I do not wish to do him the discourtesy of mentioning him when he has no opportunity to respond. As he is keen to leave, I shall make my point to him now and comment on the speech of the hon. Member for Harlow later.

I was grateful to my hon. Friend for giving way during his powerful speech, in which he argued for the repatriation of agriculture and fisheries policy from the EU to the United Kingdom. As he knows, we could do that only if we left the EU. He hopes that that will be Conservative party policy by the next general election. What will he and those of my hon. Friends who support his view do if, as I suspect, that does not become party policy? Will they support our manifesto, notwithstanding the fact that repatriation is not part of our policy, or will they walk away from our party? It would be interesting to hear the views of those of my right hon. and hon. Friends who agree with my hon. Friend, otherwise the electorate are likely to be confused about the Conservative party's stance on that crucial issue.

Mr. Desmond Swayne (New Forest, West): My hon. Friend takes the argument a little too far. The Government have tried for many months to achieve substantial reform of the CAP. They have failed to do so, but that does not mean that that policy was wrong. Equally, those of us who advocate that British farming interests would be best served by a withdrawal from the CAP would naturally pursue that as a policy objective. The fact that that objective might not be achieved does not undermine its validity.

Mr. Baldry: My hon. Friend must not delude himself. My hon. Friend the Member for Ludlow used the word "repatriation." One cannot have it all ways. It is intellectually honest to argue for repatriation—there is no reason why one should not do so—but one must recognise the consequences. One cannot argue for repatriating agriculture and fisheries policy without recognising that that would effectively mean withdrawal from the CAP and the common fisheries policy, and that is achievable only by withdrawal from the EU. Everyone understands what the argument is code for—we are not children. My hon. Friends have urged that that policy should be part of the manifesto at the next general election. Will they follow our manifesto regardless of whether that policy is part of it or will they walk away from the party? That is a simple question.

Mr. Swayne: Shall I answer it?

Mr. Baldry: I should be interested to hear my hon. Friend's answer.

Mr. Swayne: Undoubtedly, I would continue to support the party and the manifesto, but I do not go so far as my hon. Friend. It is appropriate to pursue a policy of repatriation that falls short of withdrawal from the EU. They are not necessarily one and the same.

Mr. Baldry: I am grateful to my hon. Friend for that observation, but if he thinks about it he will realise that it is intellectually impossible to pursue a policy of repatriation without advocating withdrawal from the EU. I am pleased that he and his colleagues will support the manifesto, which, I suspect, will state that we should continue to be part of the EU and argue our case from within. Indeed, I had hoped that the Government had proposed the debate because they wanted to provide the House with a genuine opportunity to discuss agricultural matters.

Mr. Gill: If I understand my hon. Friend correctly, he is arguing that no matter how bad it gets—no matter how serious the position for British fishermen or farmers—we will hang on to the CAP, come hell or high water. That is totally bizarre. Such a policy would not have great appeal to the British electorate. By using such extreme terms, he is being somewhat disingenuous. He knows that the inevitable consequence of repatriation is not withdrawal from the EU.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The hon. Member for Banbury has been helpful in allowing interventions, but time is getting on and a number of hon. Members wish to speak. Interventions will squeeze out opportunities for those hon. Members.

Mr. Baldry: I have not been speaking for long, Mr. Deputy Speaker, and I do not intend to do so. Some Labour Members spoke for as long as 40 minutes, and these are important issues. The House must judge whether my comments have been extreme; I thought that they were perfectly moderate.

In response to my hon. Friend the Member for Ludlow, we are members of the EU. That decision was taken by this House, and by the country in a referendum. Part of our membership of the EU is membership of the CAP. It behoves Ministers and Opposition Members to argue and campaign for the sort of CAP we wish to see. That, quite rightly, is what Ministers should do. We will criticise Ministers when we feel that they fall short of what we wish to achieve in the CAP.

However, I hope that my hon. Friend the Member for South–East Cambridgeshire (Mr. Paice) will assure us when he winds up that it is not and will not be the policy of the Conservative party to withdraw from the CAP or, by implication, from the EU. That would send a destructive message to the people of this country and to our colleagues throughout Europe.

I was a Minister when we had a policy of non-co-operation with Europe over beef. That was brought about by considerable frustration at the fact that Heads of Government from other member states refused to give my right hon. Friend the Member for Huntingdon (Mr. Major) an honest and straightforward answer. Some would say that it was a matter for the Agriculture Minister; others that it was for the Health Minister; others that it was for Parliament. We were making little progress.

As a consequence of that frustration—and to ensure that the EU understood how deeply these matters were felt here—we had, for a while, a policy of non-

co-operation with the EU as a whole. At the end of the day, it did not necessarily advance our case very much. It made the point, but thereafter it caused a number of colleagues within the EU who might otherwise have been sympathetic to us to feel that we were not approaching the EU in the way and by the rules that we would have expected from others. However, that is history. We are members of the EU, and it behoves us to collaborate.

Earlier today, we had Trade and Industry questions, at which great concern was raised, rightly, about the future of Dagenham and the potential loss of 2,000 jobs there. Also, we have had debates on Rover recently, when the House has been full. The National Farmers Union estimates that, this year, we are likely to lose 15,000 jobs in agriculture and industries allied to it. That is an enormous number to go from one industry in one year.

The Minister chided me when I said that the crisis in the dairy industry was probably the worst in recorded history. I do not think that there has been a time in the history of UK agriculture—certainly not since the depression of the 1930s—when the prospects for all sectors of agriculture have been as grim as they are at present.

Part of the reason for that is the strength of sterling, the weakness of the euro and the relationship of the two. In dairy prices, for every 1 per cent. rise in the value of the pound in relation to the euro, 0.6p comes off the price of a pint of milk. I think that, of the 9p decrease in the milk price in the past year, 5p can be attributed to the relationship between sterling and the euro.

Interestingly, today, the Secretary of State for Trade and Industry used a form of words that was rather different from that used recently by the Prime Minister and the Chancellor, and it may well herald a different approach by the Government. Until recently, the Government's approach to the sterling-euro relationship has been to say, "There is absolutely nothing we can do about it. One just has to accept it. Manufacturing industry and the dairy industry will have to accept it." Today, the Secretary of State changed that line by saying that sterling's strength in relation to the euro was unsustainable, and that, sooner or later, the international financial communities will see that sterling's value is unsustainable.

Although that may herald a change of tack by the Government, we have to recognise that not only United Kingdom manufacturing industry and my constituents who work at Cowley, but dairy farmers and others have been suffering from the strength of the pound—or the weakness of the euro, or the relationship between the two—and the difficulty of exporting. We should never forget that other sectors are suffering too.

We should also recognise that particularly the dairy industry has been facing other difficulties, not least the break-up of Milk Marque and the creation of three new organisations, which will find it increasingly difficult to compete. However, not all is lost. I simply draw the dairy industry's attention to the fact that, as one can see in supermarkets, there is a huge market yet to be won in products such as yoghurt and other value-added dairy products, the value of which is about £1 billion. Almost all those products are imported from firms such as Müllers in Germany and elsewhere. It is a huge market.

Mr. Paterson: May I correct my hon. Friend? Müllers has invested £65 million in Market Drayton, in my constituency, and makes 800 million pots of yoghurt from milk produced at farms in the surrounding 40 miles. It is a marvellous lesson in how we should be adding value to the basic dairy product of milk—which is the point that I think my hon. Friend is trying to make.

Mr. Baldry: It is indeed. I am very glad of my hon. Friend's correction, as I was relying for my information on the report by the Select Committee on Agriculture on milk pricing. As Müllers' investment shows, we shall be able to guarantee jobs and ensure that we maximise the liquid milk price by concentrating on value-added products. That would surely benefit UK farmers, and I hope that other similar firms will invest here.

The Government can do more than we have heard described today to help UK farmers. Although the Minister said some pleasant words about deregulation, just recently, an enormous number of environmental regulations have been imposed on the farming industry, including the groundwater regulations and the integrated pollution prevention and control regulations. Farmers have also been threatened with nitrate regulations, and a pesticides tax that would be £55 per tonne, which is simply not sustainable. The Government have temporarily withdrawn the pesticides tax proposal, but they have not said that they will permanently withdraw it. I simply hope that the Ministry and the Government will make every effort to ensure that farmers are not overburdened with regulations, and that regulations are introduced sympathetically. When farming is in difficulty, those burdens have a disproportionate cost.

Similarly, the Minister made much of diversification in the countryside. However, that possibility will be dependent largely on the way in which planners and the planning authorities approach it. Farming enterprises have a new difficulty when they seek to diversify farm barns or other buildings. They are now told by local planners that their proposals are not sustainable, because, as farm buildings tend to be in the countryside, some way from centres of population, people may have to drive to them. A farmer in my constituency wished to convert some buildings that were going to be used by a local physiotherapist to provide a service for a large number of people in the area, but planning permission was denied.

Mr. Geoffrey Clifton-Brown (Cotswold) *rose—*

Mr. Baldry: I am not going to give way. I have been waiting since 1.30 pm and I have been speaking for only 15 minutes.

The Government's policies on diversification will come to nought if they cannot encourage planners to be more sympathetic.

I am conscious that a number of my hon. Friends have also been waiting for a long time and wish to speak, so I shall come to my final point. Several farmers in my constituency are concerned about the IACS cheques. Debates on agriculture are always partly in code, and I apologise for that, but the Minister will understand what I am talking about. The issue is incredibly important for the cash flow of cereal farmers. They usually receive their IACS cheque at the end of November, but there are concerns that they will not receive it until March of the following year. That will disrupt their cash flow considerably. I hope that the Minister will assure that House that the situation will not change.

[Mr. Baldry]

While it is clearly good to make form-filling easier by taking advantage of computerisation and the internet, a large number of farmers do not have computers. It would be greatly resented if an increase in computerisation was simply code for cutting the number of regional offices and the opportunities for farmers to have face-to-face contact with MAFF officials to help them with form-filling. We have heard repeatedly that if farmers get their IACS form wrong, the financial penalties are draconian. There is no appeal or remedy, only a total financial loss. The network of MAFF regional offices has been greatly respected and appreciated over the years.

These are grim times for UK agriculture. The Government have not made the progress that they should have done. We are not alone in saying that. A House of Commons Library research paper on the Agenda 2000 reforms says that the result was a disappointment to the British Government and the dairy industry. There is no sign that the EU is willing to abolish dairy quotas. Even the existing commitments are worth little, since there is ample scope for change of mind before 2005.

The Minister is always courteous and always comes with soft words, but farmers are interested in what his actions mean. They want money in the bank and financial support for the farming community during the greatest crisis for agriculture in living memory. The farming industry is looking to the Government to give a positive lead and real assistance. If they cannot do that, the 15,000 jobs that may be lost in agriculture this year will be nothing compared with the likely job losses in years to come.

5.34 pm

Mr. Gareth Thomas (Clwyd, West): This debate has been interesting for a variety of reasons, not least because of the bout of in-fighting that broke out on the Opposition Benches following the speech of the hon. Member for Ludlow (Mr. Gill).

I might not be quite as much of an Euro-enthusiast as my hon. Friend the Member for Harlow (Mr. Rammell), but I think it fair to say that most farmers in the United Kingdom are realistic, and they know that their future, and the future of the UK, depends on our continuing to be a member of the European Union. However, there is a great deal of frustration that institutions in Europe, with which this Government and others have to deal positively and robustly, are not always seen to be open and accountable regarding the needs of British agriculture. Surely there is a need for a lighter touch as far as European regulations are concerned. I say that not from a Euro-sceptic but from a realistic point of view.

A number of right hon. and hon. Members have sought to catch your eye, Mr. Deputy Speaker, so my contribution will be short. I welcome the outcome of the recent agricultural summit. The package has been welcomed by, among others, the president of the National Farmers Union, who described it as going a long way and giving a clear signal that the Government believe that British agriculture has a crucial role. The package has also received a welcome among my constituents, many of whom are involved in farming. Although times continue to be extremely difficult for farmers, things are improving somewhat.

This is a Government who have listened to farmers. The aid packages alone that have been available during the Government's time in office, which amount to £1 billion in extra spending, are testimony to the fact that Labour's claim to be the genuine party of farmers is correct. I am particularly pleased that, so far during this Parliament, the Government have put into hill farming subsidies to the value of £700 million.

The action plan is to be welcomed. The removal of so many of the regulations that have been an irritation to farmers, and a disproportionate cost, is to be welcomed. I am particularly glad that the Government have committed themselves to retaining hill farming subsidies at the increased level for the next year.

I wish to concentrate on three issues—the milk sector, modulation, and the need for a long-term strategy, including the role of the Treasury and other Departments in delivering that strategy. Although livestock farming predominates in my constituency—the vast majority of my constituency is within the less-favoured area—dairy farming in the Vale of Clwyd has none the less been an important industry. Clearly, dairy farmers are in an almost unsustainable position. The figures demonstrate beyond peradventure that the costs of production are becoming higher than the price realised on the market. I agree with my hon. Friend the Member for Stroud (Mr. Drew) that many producers are using the intervention milk price equivalent, which is no more than a floor, as approximating to the price that farmers should expect at farm gates.

It is a vicious circle, and it is difficult to see a way out. More liquid milk is going on the market because more imported processed products are coming in owing to the uncompetitive position of the pound in relation to the euro. It is a vicious circle, because it means that farmers are getting less for the liquid milk. As one farmer told me recently, "You can't stop milking. You can't put the milk back in the cow." It is, of course, a perishable product, and it is true that many processors are taking advantage of the situation. Does my right hon. Friend the Minister of State accept that there continues to be enormous frustration and indignation that processors are exploiting a bad situation? I ask her to take up that matter when she replies. The report of the Office of Fair Trading will soon be forthcoming, and I hope that we shall see some Government action to deal with what are perceived to be the unfair practices of supermarkets and larger processing conglomerates. Producers must get a fair price for their product.

Farmers in my constituency and in other parts of Wales are getting out of dairy because they cannot make a living. They are going into sheep. However, that in turn is depressing the market for lamb. Perhaps that demonstrates how interrelated these problems are and how essential it is to develop a strategy.

The strong pound is undoubtedly having a deleterious effect on farming, as on manufacturing industry. There is the welcome news today that the pound has dropped substantially against the euro. It is to be hoped that that trend will continue.

I accept that there is little that the Government can do in terms of the macro-economic position, but surely we must have a strategy that enables producers to form co-operatives and to add value to their products so as to

compete and make their product viable. That is a role for the common agricultural policy and for the Government and devolved bodies.

Milk and milk products need to be promoted more vigorously. I am not quite up to date with the Government's position on free school milk, but I understand that the Americans have done much work on promoting milk in their schools. They take the view that, for every dollar spent on promotion, they get back $4 in extra sales. Will my right hon. Friend the Minister of State deal with the issue? It seems that there would be a healthy demand for milk if the product were served and marketed in an attractive manner. I do not mean supplying it in lukewarm, tatty plastic bottles on school playgrounds.

In principle, modulation is to be welcomed, but many farmers in my constituency—I am sure that this applies to small farmers especially—are perturbed that it has been applied across the board and that everyone is affected by it. However, the recycling effect—the money that comes back—will apply to only a few, under the so-called "horizontal measures" under the CAP. It is not possible for everyone to go organic or to diversify, especially for those who are at a pretty high altitude in the Welsh hills. Will the Government reconsider the position?

Surely the Treasury has a responsibility. I do not believe that it is solely a European responsibility to provide extra funding to enable the industry to restructure. I am particularly interested to know the Government's view on this issue. The French use a sophisticated support method, which involves their social security system and other organs of Government, to prevent rural depopulation. The Treasury has a role in helping to cover the additional costs of administering the date-based export scheme and tagging. The Treasury should not absolve itself of responsibility simply because we are dealing with agriculture and the CAP is predominant when it comes to making policy.

The Ministry of Defence also has a responsibility when it comes to sourcing British lamb products. Some 90 per cent. of lamb consumed by our military forces comes from outside the UK, which causes great alarm and anger among hill farmers, particularly in Wales. The Ministry should redress that problem.

A long-term strategy for farmers is essential. They need to know not just how they will survive until next year, but how they and the whole industry will develop over the next 20 years. I am confident that the Government are adopting the right policies and can claim to be the genuine party of farming.

5.46 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): The outcome of the negotiations held during the Berlin summit was not as radical as the original proposals. A 20 per cent. cut in support prices for cereals had been suggested, but the agreed cut was 15 per cent. in two steps. For beef, it was proposed that there should be a 30 per cent. reduction, and the final reduction was 20 per cent. Although a reduction of 15 per cent. was accepted for cereals, it will take place five years later than planned.

As a result, the European Union will appear more protectionist at the start of trade talks, which will raise doubts about its ability to meet its commitments on market access and subsidised exports. The reforms will not placate critics of the common agricultural policy inside or outside the EU. Franz Fischler, the European Commissioner, has emphasised the importance of what the Commission calls the European model of agriculture. He describes a model

> based on competitive, multifunctional and sustainable agriculture throughout the EU.

It is, he says,

> highly diversified . . . and supports and safeguards our unique countryside and a stable environment.

The model is supposed to produce renewables, provide environmental services, protect the countryside, maintain the vitality of rural areas and respond to social expectations concerning the origin and traceability of food, ecology and ethical issues such as animal welfare. That is the strategy that is supposed to protect, or even enlarge, the so-called "green box" in the face of continuing attacks on CAP market prices.

By increasing the proportion of the agricultural fund allocated to co-financed measures, the EU is limiting its potential future liabilities from enlargement. However, because of a lack of clear opinion on what further reforms will occur—particularly as a result of enlargement—there is great uncertainty and worry among farmers in Britain. I agree entirely with the interesting and well-researched speech made by the hon. Member for South-East Cornwall (Mr. Breed). I had intended to speak on retirement and new entrants, but need not do so as I cannot add to what he said.

By and large, the farming industry is, as the hon. Member for Clwyd, West (Mr. Thomas) said, opposed to modulation—at least as it is currently framed. In principle, no one argues against modulation, but, according to the discussions that I have had with unions and individuals, it is being canvassed in a way that is totally unacceptable. It is suggested that there will be a 2.5 per cent. cut in grant in the first year, rising to 4.5 per cent. in 2006–07. The Minister of Agriculture, Fisheries and Food said that the Treasury is then supposed to contribute £1 for every £1 modulated, so long as the Treasury agrees. We in Wales well know about pound-for-pound match funding—the Chancellor is pretty reticent about committing himself to it. After about six years, an extra £78 million for rural development will be available for Wales alone—if the match funding is provided.

I am sure that modulation is being introduced for the best possible reasons, but the formula that has been chosen is disappointing. It appears to hit those most in need. It clearly needs to be better thought out. The industry would benefit from a tapered formula, whereby larger farms are top-sliced most and smaller family farms and those with high labour units receive more subsidy. That would help to level out the industry. A formula similar to that operates in France, where the size of the farm and—importantly—the number of workers are taken into account. The money is then focused on the poorer areas that are most in need. If such thinking were employed, it would be extremely helpful to many farmers in Wales.

However, the caveat about the money from the Treasury remains. For example, objective 1 areas in Wales are entitled to 75 per cent. assistance, but we understand that the Chancellor is willing to give only 50 per cent. If we do not receive sufficient backing from the Treasury, there will be a problem.

[Mr. Elfyn Llwyd]

There is general consensus that the agriculture industry is in crisis—as is the rural economy. To be fair, farming unions, politicians on all sides and—more important—farmers themselves welcomed the Government's aid package, announced after the farming summit at the end of March. However, that provided only a breathing space for farmers; it does not tackle the crux of the problem. The Government have tackled the symptoms and not the disease. One part of the disease is the strength of the pound.

The current CAP arrangements are scheduled to run until 2006. They do not satisfy farmers, land managers, consumers, environmentalists or any other rural interests. The Berlin Agenda 2000 agreement does not adequately provide for enlargement of the EU or for the EU's current and prospective World Trade Organisation commitments on agriculture. The CAP must evolve from a commodity-based production subsidy to a more integrated rural policy. Such a policy is needed to promote viable, stable and competitive agriculture. The industry needs a period of stability—that has been missing for many years.

I am glad that the Government were recently willing to concede the allocation of funds for agri-monetary compensation, because there are, of course, serious economic imbalances caused by the high value of the pound against the euro and so on. However, the £66 million set aside for that compensation—as an attempt to level the differences between the pound and the euro—is not enough. Farmers unions were calling for £215 million.

However, throwing money at the problem is not good enough, as I shall explain. The amount set aside is tiny compared with the estimated £3 billion—according to *The Times*—that the industry has lost because of the strength of the pound. That £66 million offers a breathing space—a slight relief, but nothing more.

During the farming summit, the Prime Minister admitted that a start had been made. He said that

> what we are doing here today is a start. It will not end the painful restructuring of the industry that has seen so much real hardship. But it will offer solutions to problems; it will set out a vision; and it will answer some of the key concerns.

I regret that that vision has yet to become apparent. We need an integrated rural strategy, with a healthy agriculture industry at its core. Yes, we need the creation of work, diversification, the relaxation of planning regulations, sustainable transport and so on. We need a vision that comes in an all-embracing package, but it must have a strong agriculture industry at its heart.

Something will have to be done about the artificially high level of sterling. The hon. Member for Clwyd, West referred to a change of attitude. That blip might be of some assistance, but a more determined effort must be made.

The discussions on the Berlin Agenda 2000 did not give enough consideration to enlargement. There is much uncertainty about enlargement, the role of the WTO, the future of the CAP and whether the industry is sustainable. Of course, the future of our rural communities is also uncertain. We need to consider a truly integrated rural policy. The Government must press the European Union to redirect the direct crop and livestock payments towards rural development regulation.

Further CAP reform will expose agriculture to the volatility of international markets. Every farmer to whom I speak says, "I want to go out into the marketplace; I don't want to be paid for staying at home doing nothing; I want to be back in the market so that I can sell my produce for what it's really worth." Farmers in Britain are not afraid of competition, but, because of the way in which the CAP has been structured, it will not come overnight. It certainly will not come in isolation from the other necessary reforms for rural areas. Ultimately, however, there must be a safety net to even out the extremities of farming incomes. We have heard much about incomes today, so I will not pursue that point. However, it is clear that there is a crisis.

One part of the disease is the strength of the pound, but we must remove the impediments to rural development that are embedded in the current planning and tax systems. Those problems must be high on the Government's agenda. I was pleased to hear the Minister for the Environment say that they will be highlighted in the forthcoming White Paper—let us hope so and that the White Paper appears soon. I suggested to the right hon. Gentleman on Tuesday that planning legislation should be relaxed to enable small and medium-sized enterprises to develop sustainably in rural areas and to assist in the overall pattern of rural regeneration. I was pleased with his reply and I hope that it is a precursor to a positive White Paper on which we can all build. The small and medium-sized enterprise sector needs assistance. There is no reason on earth why it cannot flower in rural areas and become part of the rural regeneration scene.

Yesterday, the Prime Minister acknowledged that the strength of sterling was detrimental to manufacturing industry. Obviously, it has just as bad—and probably worse—effects on the farming industry. There is a consensus that farming must become more viable and, in some areas, diversification is the answer. However, in other areas, the answer is farms coming together and working as co-operatives.

I ask the Government to do something urgently about the value of the pound, and to draw down some pro tem relief from the substantial agri-monetary compensation scheme. Above all, will they please consider a better, strategic and overall view of rural regeneration? At the heart of all that is a healthy agricultural industry.

5.58 pm

Mr. John Hayes (South Holland and The Deepings): The debate has been characterised by an acknowledgment on both sides of the Chamber of the nature and the severity of the crisis facing agriculture. To give the Government credit—it pains me to do so—the Cabinet Office report on rural Britain, which was published in February this year, acknowledges that

> agriculture, the countryside's most visible and most typical activity, is facing major problems and that many sectors and people within it are facing real crisis.

There is no doubt about the severity of the crisis.

I am surprised, however, that the report does not address the issue of sparsity in the countryside and specifically does not accept the need—the Government show no sign of recognising this—to allow sparsity to be given greater significance when it comes to the allocation of Government grants and the provision of public services.

Not all the problems are of the Government's making. There is no question but that there are long-term structural problems in agriculture across Europe. Some sectors have

over-supply—supply exceeds demand—and the beef sector springs to mind. There is unfair competition across Europe and most European countries are unwilling seriously to reform the CAP. Whenever CAP reform is mentioned, we seem to end up with the lowest common denominator or the option to which people are least hostile, rather than the most favoured or acceptable one.

There is no better example of that than Agenda 2000, which was heralded as a great change and significant improvement to the CAP structure, but ended as a fudge and muddle in which the Government are complicit. Agenda 2000 was supposed to bring about a shift from production-led subsidies in agriculture to environment-led payments, but did no such thing, so all the good intentions and exaggeration came to nothing. Amazingly, however, the Berlin summit watered down an already diluted package.

The decision to delay dairy reforms for two years has already been mentioned and was condemned by the Select Committee on Agriculture. Whatever the Minister says, the Select Committee described the decision as disappointing and a bad deal: one does not use such terms except in condemnation. Condemned by the Select Committee, the Berlin summit was an indictment of the Government's ability to argue Britain's case fairly, squarely and successfully in Europe.

The Minister made great play of the CAP's second pillar of rural development. However, there is no clarity about the shift from production-led subsidies to good environmental schemes and measures. Farmers have not been made aware of any comprehensible and enforceable schemes which they can embrace and which can make a seismic change for them.

Many Labour Members—not all—do not understand that farming is more than a business. It is a business, of course, subject to all the normal pressures, challenges and constraints on profitability and cost-effectiveness, but it is also something more, comprising the fabric of our nation and our national identity. Farmers have husbanded and conserved our landscape. Their asset or capital resource is our rural idyll. We must face up to and accept that, and all policy must be founded on that acceptance.

The Government are culpable of certain things, to which they must own up and for which they must take responsibility. One such matter was raised earlier, but I make no apology for amplifying points made about the hyping of aid packages offered to farmers. The first package last September gave nothing to poultry or pig farmers or the arable sector—that is relevant to my constituency, which is principally an arable farming area. The package promised not to impose more charges, but financial aid does not mean saying to someone, "Part of that aid is a charge that I am not going to make, as opposed to what I shall give you." Frankly, presenting an aid package in that way is disingenuous.

Promises were made and expectations raised. The substance, however, was less impressive than all the usual spin that preceded it. This March's package, once again, contained precious little for arable farmers. I do not begrudge hill farmers the support that they have had, as they deserve it. However, little was offered to the arable sector and nothing to cereal farmers facing cereal prices equivalent to those 25 years ago.

Imagine the plight of a tenant farmer. "Diversify," is the Prime Minister's response. Does he not understand that diversification is predicated on location—the type of soil or land that one is farming? One cannot grow any crop on any soil. I would have expected the Prime Minister to consider that before speaking in grand terms about diversification, and to ponder the insensitivity of his remark to tenant farmers who have very few options. I accept, however, that that was acknowledged by the hon. Member for South Derbyshire (Mr. Todd) in his most enlightened contribution to our debate.

The Government can also be indicted for their failure to address the retail problem, by which I mean the supermarkets. Farmers and farmers' leaders cannot say so because the supermarkets are their customers. However, it is an open secret that, time after time, supermarkets are unfair and unreasonable with producers. They frequently cheat consumers as well, and have created undiscerning consumers who—with the greatest apologies to Oscar Wilde do not know the price or value of anything and do not even know where it comes from. I shall give a single example: potatoes. When Cornish potatoes and Lincolnshire new potatoes are available, the supermarket buyer's response is to stay out of the domestic market and buy Majorcan potatoes until such time as the British price falls to the point where it is uneconomic for British farmers to produce and sell their product. I could cite scores of similar cases.

Ministers have held long discussions with the British Retail Consortium and Lord Sainsbury is a member of the Government, but they have delivered precious little in terms of obliging supermarkets to treat producers fairly. I refer to the Adjournment debate of 11 March last year, introduced by my hon. Friend the Member for North Norfolk (Mr. Prior)—who I know came to the Chamber when he heard that I was speaking. He described how supermarkets frequently broke the links between local producer, local retailer and local consumer. He described the work of Lady Caroline Cranbrook, whose study found that local shops in Suffolk often bought from local producers, but that large supermarkets frequently did not. The Government must address that problem.

There is no long-term plan for agriculture: we do not know how many producers the Government want there to be in five or 10 years' time; how much production they want; or what relationship they envisage existing between those two elements. The Government have produced no credible business plan for agriculture, and because what plans have been drawn up are not communicated clearly and fairly to farmers, they are left guessing, not knowing what the Government are going to say or do next. The Government give the impression of merely reacting to every new imperative, usually emanating from Europe.

My hon. Friend the Member for Eddisbury (Mr. O'Brien) levelled the next indictment against the Government when he introduced a private Member's Bill that would have enforced proper labelling and obliged retailers to show both country of origin and method of production. It does the Minister of State no credit that she talked out that Bill, which would have provided encouragement to our producers and farmers, clarity to our retailers and satisfaction to our consumers.

The Government are also guilty of frightening rural Britain. The people of rural Britain perceive in the Government a lack of empathy and sympathy with their needs, their aspirations, their customs and their way of life. That might just be a case of bad public relations management—the Government are not particularly good

[Mr. John Hayes]

at PR and they have been getting worse lately—but it is what the people of rural Britain believe, what they feel in their heart.

That brings me naturally to my conclusion. There has always been a romantic thread running through rural life, inspiring a wealth of literature by writers such as Wordsworth, Coleridge, Hardy and Surtees. However, rural life is also hard, and making a living in the British countryside is tough. People in rural Britain, especially farmers, are dependent on variables that are outside their control, especially the weather. They can live with all that chance and all that risk, but they cannot live with an unsympathetic Government and a meddling bureaucracy in Europe.

The Government's lack of sympathy might result from the fact that their perceptions and character are essentially metropolitan. Perhaps they do not support rural Britain because rural Britain cares about the collective wisdom of ages and about time-honoured habit and custom. However, in the rich earth of my constituency, my fens, my England, there is indeed a richer dust concealed: the dust of generations of farmers, who have built communities, provided gainful employment and, as custodians of our countryside, husbanded our landscape. We owe them a debt, and when that debt is called in, we must not be found wanting.

6.9 pm

Dr. Gavin Strang (Edinburgh, East and Musselburgh): I am happy to follow the hon. Member for South Holland and The Deepings (Mr. Hayes), even though time does not allow me to respond as fully as I should have liked to some of the points he made, a few of which were over the top. However, I agree with him that farming is more than a business. It is vital to rural communities throughout our country; more than that, it is vital to British society, to the British economy and to the quality of our lives and our countryside. It is no accident that, even before we were in the common agricultural policy—of course, all the major decisions are now made at European level—successive Governments of both parties recognised the need to intervene and support British agriculture.

To his credit, my right hon. Friend the Minister of Agriculture, Fisheries and Food acknowledged the depth of the crisis, which is now in its third year. He was right in his analysis of the reasons, as the whole House will acknowledge. First, there is the background of low prices for agricultural commodities worldwide. Secondly, there is the severe disparity between the strength of sterling and the weakness of the euro, which is a double whammy for British agriculture. The Prime Minister rightly acknowledged this week that the situation damages manufacturing industry. It damages agriculture, too, because it makes imports cheap and our exports expensive, but there is an additional factor in that it reduces the amount that farmers get in subsidies.

Thirdly, we have the aftermath of the BSE crisis, which we will be able to discuss when the report comes out. When I had the privilege, as a junior Agriculture Minister, of representing the United Kingdom during the British presidency in the late 1970s, I successfully argued for a derogation on an animal health matter on the grounds that we had higher animal health standards than the rest of the European Union. We were able to exploit the fact that we were separate from the continent and had a reputation for having the best livestock in Europe. I hope that our objective will be to re-establish that. It will take time, as our reputation has been severely damaged by BSE, but we should aim to be able to exploit once again the fact that we are an island people.

My right hon. Friend rightly emphasised what is called the rural pillar. There is probably consensus across the House on the general shift of money into supporting the development of the rural economy in its broadest sense. One of the key objectives is to have thriving rural communities. We must not lose sight of the crucial importance of agricultural production. The vast bulk of that production is food but, as we all know, the land can also contribute to our energy needs, and that relatively small sector is likely to grow.

Production is vital. The hon. Member for South Holland and The Deepings can visit a coleslaw manufacturer in his constituency providing 100 or 200 jobs, all of which depend on the raw material that comes from the land in Lincolnshire. Agriculture's importance to the economy, because of the importance of food, should never be undervalued.

We now include organic farming in the rural pillar budget. I congratulate the Government on the additional support that they have given to organic farming, which I am sure hon. Members on both sides of the House will welcome. I address a word of caution to the strong advocates of green policies. Organic farmers have to get the bulk of their income from the market, and the premium that their produce commands over conventionally produced food is vital. It is much more important than the subsidy, which after all is only temporary.

If organic production is expanded too fast, especially through artificial means, the danger is that the premium will be eroded, leading to a regression in organic production. It is true that we import a lot of organic products at present, so there is scope for increasing UK production, but some of the figures that are bandied about—including in an early-day motion that I saw a few months ago—make me think that those with ecological concerns should bear that danger in mind.

I want to pick up a point raised by my hon. Friend the Member for Clwyd, West (Mr. Thomas) and the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd). I refer to the word "modulation". I do not know whether we have Mr. Fischler to blame, but it depresses me that the word has been used to apply to the environmental objectives. I support those objectives, but "modulation" is a technical word. In the development of the common agricultural policy, all the arguments—not just during the early years of the present Commissioner, but under previous Commissioners—were about whether we should limit the amount of subsidy going into large agri-businesses—very large farms.

The proposals for modulation that were put forward in those years were never acceptable to the UK, because a small farm in the UK would be a relatively large farm in some continental countries. However, in my view, that was not an argument for abandoning the policy of modulation. We should consider whether it has a part to play, and recognise that it has been our policy in the

Labour party for some years to support as many people on the land as practicable—farmers, tenant farmers, owner-occupier farmers and farm workers.

We are making a value judgment. We are saying on social grounds that we want to encourage local farming. We prefer the workers and the farmers to live in the local communities, rather than our land to be farmed by some huge landholding company based in London, with the contractors coming in from 50 miles away and disappearing after a couple of days on the land. I hope that we will not lose the argument.

Large sums of money are going into British agriculture, and there is a case for saying that the issue of modulation, as it was, should not be removed from the agenda. I put it no more strongly than that. A change in the use of the word has no doubt occurred, but the policy and the question whether we should continue to treat large farmers in the same way as small farmers for the purpose of subsidies should be brought back on to the agenda.

With regard to farm workers, reviews are being carried out by the agricultural wages boards. The review by the Scottish Agricultural Wages Board is the responsibility of the Scottish Executive and the Scottish Parliament. Its consultation period has ended before that for England and Wales, but I presume that there is some co-operation, as I understand that both administrations—the Ministry of Agriculture, Fisheries and Food and the Scottish Executive—are using sets of consultants to examine the matter further.

I strongly urge that we should not miss the opportunity provided by the review. We must keep the Agricultural Wages Board. It is vital in terms of skills, and there is no case for arguing that since the introduction of the minimum wage, the board is no longer needed. That was never our policy in opposition. Indeed, I remember campaigning with the Liberal party against a proposal by the Conservative Government to abandon the agricultural wages boards.

I trust that we will maintain the boards, and give careful consideration to suggestions that will be made by the Transport and General Workers Union on behalf of the agricultural workers about the possible scope for extending the Agricultural Wages Board coverage to other groups of workers in the countryside.

Finally—I know that several hon. Members still hope to speak in the debate—with regard to the development of the CAP, we must all recognise that although some useful changes have been made, the challenge remains as to how we reform the CAP to accommodate enlargement. I remember the challenge being posed by Baroness Thatcher when she was Prime Minister, and it has not yet been met.

There is one option that we should not pursue, and from which it seems the EU is now moving away. I hope that it is. It had been suggested that producers in the old European Union, in countries such as Britain, France and Germany, should be eligible for subsidies and investments in their enterprise that would not be available to the new entrants. I do not believe that that is sustainable. It should not be possible in the EU for a large farmer in France, for example, to get a grant for investment while a smaller farmer in Poland was denied such a grant. I hope that that will not be part of the package.

In meeting the challenge, we must recognise the fundamental importance of sustaining our own industry. It is vital to this country. We need a level playing field as regards competition. We know that in some European countries, charges are paid that were paid in the past by producers in this country. The Government have gone some way towards correcting that, against the background of the present crisis.

In the last century, British agriculture was a huge success story. It is still a huge success story, although it is going through a terrible period of recession, and I am sure no one would underestimate the hardship and suffering experienced by some families. We must maintain our vision: we must continue to see British agriculture as a key industry throughout the century. We, as a Parliament and as a country, must maintain that vision throughout this century.

6.20 pm

Mr. Owen Paterson (North Shropshire): The common agricultural policy is an extraordinary invention. It costs European citizens £30 billion a year. The idea was to keep the rural population on the land, but the CAP has failed to do that. It has also failed to deliver cheap food: it costs each family in this country £20 a week, or £1,000 a year. In many ways, it is a parody of central planning in the Soviet Union. It failed there, and it is failing in the European Union today. Its time has passed. Stifling bureaucracies did not work in the Soviet Union, and Britain's farms and food industries must be released from their stranglehold.

What is bizarre is the fact that there is much common ground. In our European Standing Committee debates, the Government often agree with us. Recently, we had a particularly bizarre debate about flax. The subsidies had rocketed from £45 million to £96 million between 1995 and 1999. It is a huge scandal: 80 per cent. of Spanish flax was burnt in strange barn fires. The Minister agreed, but she could not do anything about it. We are always in the minority in negotiations.

The feeling in my part of the country is that the CAP is now skewed against Britain's farmers. My milk producers lost out badly in the milk negotiations last year: Ireland was given an extra 150,000 tonnes, although it is more than self-sufficient in milk production. My farmers lost out when the calf scheme ended. Why are they not allowed to export their calves to Europe? Because the Government flunked negotiations on the reopening of beef exports. French farmers get £150 for a good bull calf. Most of the calves in my constituency go to the kennels for nothing; the best go for £10 or £15.

There is inequity in regulation. The pig industry, for instance, is disappearing from this country. According to a report in the *Farmers Guardian* last year, 80 per cent. of Dutch pig farmers did not respect Dutch welfare regulations, and 20 per cent. did not know of their existence. That is not being addressed, and we are about to make exactly the same mistake in regard to the eggs directive. This week I spoke to the deputy president of the National Farmers Union, Tim Bennett. He said:

> If we do not get the directive changed, it will be disastrous for the poultry industry.

In this country, we are establishing standards that are way above those in any neighbouring countries, and way above those of countries outside the European Union or in America. There are farmers in my constituency with a million hens, and possibly 120 employees, trying to compete with plants in the United States that have 13 million hens and nine employees.

[Mr. Owen Paterson]

Let me say something about enlargement. I feel that we have a moral obligation to bring the eastern countries fully into the western trading system, but it is unthinkable that they should be brought into the CAP. I should be interested if the Minister could give us a clue about what is going on in the negotiations. I recently talked to ambassadors from some of those countries, who said that they were looking for derogations banning non-citizens from buying agricultural land for 20 years. That is a non-starter. We need to get rid of the CAP: those countries do not want it, because export-subsidised agricultural products are destroying their rural industries.

Not long ago, the Select Committee on Agriculture went to Washington. The line in America was "If you export-subsidise your products, you create a problem in a third market, and that gives us a big problem in America. If you want to protect your small family farms, we respect the environmental output of agriculture in Europe, and we realise that tourism represents a major output." I understood that payments for that purpose would be acceptable, and I found that very encouraging; but we must eradicate the CAP to get there. We must look to the green box, as it is called, and consider payments for the environment and tourism.

If we had been more radical, we could have included animal welfare in the negotiations. Animal welfare features prominently in public opinion, especially in this country and increasingly in Europe. We have to respect that. However, it is a non-starter in the United States. To use a popular expression, it is not on the screen. The Government must acknowledge that by unilaterally pushing up animal welfare standards—I have already cited the examples of pigs and poultry—we massively reduce the competitiveness of United Kingdom producers. If we do that, we must unilaterally take measures to counter the lack of competitiveness.

Why did the Minister of State talk out the labelling measure that my hon. Friend the Member for Eddisbury (Mr. O'Brien) promoted? It was a sensible measure, which provided for unilateral action in this country to counter the unilateral action that put our producers in an uncompetitive position.

I am seriously worried that the Government have not taken into account the impact of proposals to establish a European food authority, which was debated in European Standing Committee C. Document No. (1999 719 final) proposes setting up a new food authority. The 84 action points would overrule much current UK legislation on agriculture, food production and local government. Yet when my right hon. Friend the Member for Fylde (Mr. Jack) asked the Under-Secretary of State for Health about the treaty basis for the proposals and when I asked her some basic questions, she could not answer.

It is clear that health is of greater public concern in Europe. The Food and Drug Administration in America is respected, partly because it is so transparent. Any incident in the United States is on the internet. In this country, there was BSE; in France, there was the blood scandal, and its Prime Minister, Laurent Fabius, nearly went to jail; in Belgium, there was dioxin. Clearly, there is public anxiety about food safety. However, the answer is not to set up huge new quangos.

The Food and Veterinary Office in Dublin has increased its numbers from 150 to 600. It can use the new fast-track method, by which the UK was fined £200 million for breaching the fine habitats directive. Direction, interference and regulation of the food industry will not be run from here by the new Food Standards Agency, but by DGXXIV in Brussels.

I wish to consider the problem of unregulated, unaccountable quangos. I am especially worried that, within a month of the establishment of the Food Standards Agency, when all-party colleagues on the Select Committee and I proposed that it should not be the executive agency running the Meat Hygiene Service and the policing agency, a scandal has occurred in Eardisley in the constituency of the hon. Member for Leominster (Mr. Temple-Morris). I have given him notice of the problem.

It is inconceivable that one of our few profitable abattoirs, which produced premium products, has been shut down. It took 350,000 lambs a year from all around the Welsh borders and received high health and safety scores for the past five years. Sixteen different vets inspected it. One new vet joined the Meat Hygiene Service and it closed down. That is a major public scandal. I have written to the Minister, his colleague the Secretary of State for Health and Professor Sir John Krebs, who is head of the Food Standards Agency. I should like an assurance that there will be a full, independent, public tribunal and that all evidence and conclusions will be published on the internet.

Mr. Livsey: I fully support the hon. Gentleman's comments. The abattoir is on the boundary of my constituency. Its closure has hit my livestock farmers badly. An investigation must take place, and its findings must be published soon.

Mr. Paterson: I endorse those comments and thank the hon. Gentleman for his support.

Central planning for food production has failed. We must not allow further regulation from distant quangos in Brussels to interfere and overregulate our food processing industries. The food processors must set their quality standards. They should be judged on their results. There should not be dirigiste interference by officials to impose new levels of European regulation.

6.30 pm

Mr. James Paice (South-East Cambridgeshire): As is usual in such debates, I must remind the House of my interest, as declared in the Register of Members' Interests.

The hon. Member for Harlow (Mr. Rammell), who is not present, was sad that few Members have attended the debate, and I share that view. I am especially concerned that the Labour party, which claims to represent rural areas and has two and a half times as many Members as my party, managed to find only five speakers.

Mr. Dawson: Will the hon. Gentleman give way?

Mr. Paice: No, but I may do so in a moment.

Nevertheless, those who spoke made good points; we were not saddled with time-filling speeches made by Members brought to the Chamber by Government Whips.

I make it absolutely clear that we welcome the action plan that was produced at the summit and the principle of the rural development initiative. The Government have done much to help the industry, and we support that, but we are concerned that they have added more problems to those that are not their responsibility; and introduced delays. When the Minister came to office almost two years ago, he set out to endear himself to farmers. He put a metaphorical arm round their shoulders and expressed his sympathy. He has done that well, but his tenure has been marked by dither and delay: the four-month delay in writing to public purchasers, to which my hon. Friend the Member for South Suffolk (Mr. Yeo) referred, and the several weeks' delay in banning the import of Belgian products during the dioxin scare—long after other countries had banned it—with the result that the United Kingdom market was flooded with Belgian chicken meat and the price collapsed.

The action plan for farming contains many sensible measures, but they are all long overdue, despite having been demanded by the industry for some time. However, the Minister had the gall to accuse us of not making proposals. We and many others had been calling for the pig industry restructuring proposals for months. After two years of loss making, the Minister waited until the market improved before taking action. He will remove the over-30-months limit; we called for that a year ago. He will change groundwater charges and the charges imposed under the integrated pollution prevention and control directive; we called for that a year ago. The BSE measures are to be reviewed, but everyone called for the review of meat inspection charges. Even the Minister said:

> In dealing with those charges, we do not intend to put smaller operations—particularly those that specialise in high-quality product—out of business. My aim is that the study should be completed quickly, and I intend to take a close interest in its conclusions.—[*Official Report*, 21 April 1999; Vol. 329, c. 993.]

Nothing happened until 30 March 2000.

We called for rate relief on horse establishments two years ago, and we also called for a risk-based approach to meat hygiene. We have been calling for many other changes for some time.

Mr. Dawson: Will the hon. Gentleman give way?

Mr. Paice: Not for a moment.

Mr. Dawson: Will the hon. Gentleman give way?

Mr. Paice: I have just said that I will not.

We welcome what has been done, but regret that it has taken so long for the Minister to act. We also welcome the comments on deregulation that he made in response to my right hon. Friend the Member for Skipton and Ripon (Mr. Curry), but they do not sit well with what has been taking place. On deregulation, the Minister once said:

> I intend to have the whole issue re-examined by specialist advisers.—[*Official Report*, 4 November 1998; Vol. 318, c. 952.]

However, he did not even announce the membership of the working groups until 11 October 1999—11 months later. That is a catalogue of complacency. Out there in the real world, farmers are losing money and going out of business. Farm workers are losing their jobs, many of which might have been saved if the right hon. Gentleman had acted more quickly.

Every time the hon. Member for South Derbyshire (Mr. Todd) speaks, I become even more concerned that he thinks of himself as a Labour Member. He always speaks on such matters with common sense and made several sensible points. *[Interruption.]* I do not want to destroy his career, but I think that he is doing it himself anyway.

My right hon. Friend the Member for Skipton and Ripon referred to the importance of ensuring that our regulations, our charging systems and all the burdens that we put on our farmers are no greater than those for the farmers with whom they must compete. That is critical.

My hon. Friend the Member for Ludlow (Mr. Gill), in what I suppose I could call a robust oration, referred to two things. I shall respond briefly to the question that he asked. I am sure that my answer will not satisfy him, but I shall try. First, he raised the issue of beef labelling. I agree with him. I hope that the Minister will comment on the business of having to state on the label whether the beef has come from a steer, a bull or a heifer. That is irrelevant.

As for whether the Conservative Front-Bench team supports collectivism—as my hon. Friend, I think, knows, we do not. The CAP has many faults, but to describe it as collectivism is an exaggeration. It has provided opportunity for entrepreneurship and innovation. Many farms are a testament to that. I do not think that either of those are features of collectivism.

My hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) wanted a longer-term strategy. My hon. Friend the Member for North Shropshire (Mr. Paterson) highlighted the fact that the CAP is increasing in cost to the taxpayer and to the consumer, with a decrease in income to the farmer.

Many Members have commented, properly, that unarguably the biggest problem is the strength of sterling versus the euro. The Government cannot wring their hands and pass the buck. The scale of the gap between the pound and the euro is a feature not only of the problems of the euro—although I readily accept that, that is a significant factor—but of Government economic policy.

When the Chancellor of the Exchequer gave the Monetary Policy Committee control over interest rates to control inflation, he thought that he had shuffled off responsibility for inflation, but he had not, because increasing public expenditure, increasing fuel taxes and halving the savings ratio are all inflationary. The committee has had to counter that with higher interest rates than would otherwise be necessary.

As for the MAFF regional centres, I welcome again the Minister's recognition of the need for an interface with farmers, but the PricewaterhouseCoopers report is causing widespread concern not only among his own employees in those centres, but among farmers. Last week, I sat in the Cambridge waiting room for an hour or so and spoke to many farmers. Even I was surprised how far some of them had come for advice and help and to have their forms checked. Some had driven for more than two hours to get there. That interface is critical.

The Minister will say, no doubt, that in time it can all be done through electronic communication. No doubt it will be, but the pilot schemes so far have not exactly been a raging success. I understand that although farmers send the forms in by e-mail, they have to follow them on foot or in a car to sign them.

[Mr. Paice]

My hon. Friend the Member for South Suffolk (Mr. Yeo) referred to arable farming. The arable sector is disappointed that there is nothing for arable farmers in the latest package. Wheat and barley prices for the coming harvest are likely to be of the order of £60 a tonne—close to half the price only seven or eight years ago. On top of that, English arable farmers face a reduction in their payments.

Whereas the Agenda 2000 reform, about which we have heard so much, increased the payment per hectare by 25 euros for the coming year, our farmers will see a reduction of some £8 per hectare at today's exchange rates. That is without taking into account the 2.5 per cent. cut to fund the rural development programme.

Will the Minister confirm that there will be a further payment of £11.12 per hectare of cereals this autumn on the back of the 1999 claim? Will she confirm whether there will be any compensation for the reduction in this year's payments? Will she respond to the point that was made by my hon. Friend the Member for Banbury (Mr. Baldry) about cash flow?

The Minister of Agriculture, Fisheries and Food referred to sugar. I was going to quote something that he has said on previous occasions, but I need not bother because he reiterated his policy today, which is that he thinks that the sugar price should be cut. I am glad that he has acknowledged that, and that I got his words right. However, I do not see his logic, which seemed to be that because all other arable prices have fallen, so should that of sugar. It seems odd that the one lifeline that exists for countless arable farmers should be taken from them.

Reference was made to the pesticide tax. I am glad that the Prime Minister made his statement at the annual general meeting of the NFU, but we wait to see whether the Department of the Environment, Transport and the Regions will accept the voluntary scheme put forward by the industry. I hope and trust—given his previous pronouncements—that the Minister is supporting the industry.

Mr. Nick Brown *indicated assent.*

Mr. Paice: I am glad that the right hon. Gentleman acknowledges that.

Mention has been made of an early retirement scheme. The Government said no to that because of the "dead weight" issue. However, I believe—as do others on both sides of the House—that there is a case for such a scheme. The past two or three years have deprived farmers, particularly tenant farmers, of their capital. Milk quota is now 17p to 19p a litre to buy or sell. It was almost double that a year ago. The capital value of their stock has gone, so many small tenant dairy farmers have had their pension fund halved. Ireland has developed an innovative scheme, and I commend it—or something similar—to the Minister.

Long-term reform of the CAP is critical. There is no doubt about that, and there is not a great deal of difference across the House on the need for it. Last year's reform was weak. I believe that the biggest and most significant reform was the 1992 MacSharry reform, which shifted the concept from market support to direct aid. More reform is essential for enlargement, and I am concerned by stories that the enlargement talks are beginning to founder on that point.

As my hon. Friend the Member for South Suffolk said, even the United States—which presents itself as a Messiah of the free market—has had to put billions of dollars into agriculture. The Organisation for Economic Co-operation and Development has figures on the producer support estimate—the means of measuring public support. In Europe, it is considered to be about £18 a week for a family of four. In the United States, it is considered to be £16 or £17. That must be borne in mind in negotiations, and it does not even take into account the burden of the environmental and welfare controls that we place on our farms.

Without support for farming in the UK, there would still be farming; land would be farmed, but not in a way that the public would support. Good land would be farmed even more intensively, and poorer land would be farmed so extensively—the word "ranching" was used in the debate—that dereliction would develop, and the public would be very upset.

What matters is the form of support. We need to move from market support and abandon production controls that prevent farmers from expanding to compensate for falling prices. We need to make support transparent—not just the sums, but their purpose.

The previous Government developed the concept of environmentally sensitive areas—the first, and, I believe, still the largest step towards payment for environmental measures. We introduced the countryside stewardship scheme, and this Government implemented our arable stewardship scheme. There is no single form of support that is right for everyone. There must be a range of options, and the only common factor must be that they are clear in their intention, and designed for a purpose that the public will support.

Farmers do not want more subsidy. They do not like being dependent on the taxpayer, and they like being dependent on politicians even less. However, they expect a fair deal and an opportunity to compete on a level playing field, with the same regulations and obligations as others. If we in this House—for very good reasons, sometimes—place upon them regulations which are not being placed on their competitors, we have a moral duty to help to compensate for those extra costs.

This debate is about the future of British agriculture, as well as the future of the British landscape and countryside. We expect ever more environmental care from our farmers, and we impose more and more regulation on them.

In my travels, farmers across the country have asked me, "Do the Government really want us any more?" I do not try to answer that question, but say, "I don't know whether they do—you'll have to ask the Minister." Farmers believe that under this Government, they are dispensable. Despite the Minister's warm words, his actions have so far proved insufficient to provide real help. It is a matter not of applying a few sticking plasters, but of addressing long-term issues.

Three years ago, Labour told the electorate that things could only get better. Since then, as European Union figures show, farm incomes in the rest of Europe have decreased by less than 10 per cent., whereas in the United Kingdom they have decreased by 37 per cent. If that is what happens when things get better, goodness knows what would happen if Labour were trying to make them worse.

I do not pretend that any Government have a magic wand, and I realise that many of the issues facing agriculture are outside the Government's control, but many more issues than the Minister seems willing to admit are within the Government's control.

Farming is a part of the rural community—a critical part, not just an add-on. The places where people live and work are there because farmers created them and maintain them. They cannot be immune to changing markets or to moves to freer trade, but they can be helped in that change. That is a challenge that we believe we are best placed to meet. This debate has shown that the Government's response is entirely inadequate.

6.46 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Ms Joyce Quin): This has been a very worthwhile debate. It has certainly confirmed the opinion and recommendation of the European Scrutiny Committee that we should have a full-scale debate on the issue, despite the fact that, given the agreements that were made under Agenda 2000, European Union annual price-fixing no longer has the same impact. The Committee quite rightly pointed out that this debate would give us a chance to review changes in the common agricultural policy as a whole, and to review events and developments in our own farming industry and the follow-up to the Prime Minister's summit on 30 March, to which various hon. Members have referred.

The debate has been very thoughtful and has shown a depth of knowledge of agriculture and agriculture-related issues. It has also demonstrated considerable concern for the difficulties of constituents across the country.

For a while, I even thought that the hon. Member for South Suffolk (Mr. Yeo) was going to give us a calm, reasoned speech. Eventually, however, his over-the-top instincts overwhelmed him and proved impossible for him to resist. I should like to correct him on two of his comments. First, he certainly seemed to have forgotten that the previous agriculture debate—an all-day debate—was in Government time, and that, in the previous week, an agriculture debate was introduced by the Liberal Democrats. I remember that debate vividly, as it was my first outing at the Dispatch Box as an Agriculture Minister.

Secondly, the hon. Member for South Suffolk gave the impression that, at the National Farmers Union conference, the Leader of the Opposition was giving a more generous commitment on agri-monetary commitment than we were. However, the Leader of the Opposition was talking about using the savings from the sheep annual premium scheme resulting from currency changes, which amounted to £30 million. The agri-monetary payments that we announced at the summit amounted to £66 million.

Additionally, as my right hon. Friend the Minister of Agriculture, Fisheries and Food properly pointed out, since coming to office, we have paid about half a billion pounds in agri-monetary payments, despite the constraints to which hon. Members have referred arising from the priorities of public expenditure and the difficulties resulting from the Fontainebleau abatement mechanism.

At one point, the hon. Member for South Holland and The Deepings (Mr. Hayes) seemed to suggest that we have not supported arable farmers. I should point out to him that arable farmers receive £1 billion annually in direct area aid payments. They have had agri-monetary compensation of £170 million, and another £57 million is due this autumn. That amounts to very substantial support. We are aware of the difficulties that arable farmers are facing, and I am not trying to disguise them. None the less, we need to correct any misapprehension that that particular sector has not received support, because it certainly has done.

A number of hon. Members referred to devolution. One Conservative Member seemed to suggest that the existence of devolved responsibilities made it pointless for my hon. Friends from Scotland and Wales to participate in the debate. I was glad that my hon. Friends and the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) contradicted that by pointing out that because we are part of a common agricultural policy—that is largely the subject of this debate—the United Kingdom member state has to negotiate. My right hon. Friend the Minister does that in close co-operation with the Ministers in the devolved administrations. It is important to highlight that success story for the Government. The debate has been equally valid for all Members of Parliament.

It is impossible to address all the issues that have been raised in the time available. On a rough calculation, there are three times as many questions and issues as I have minutes available, never mind the points that I wish to make myself. I am glad that there was a general welcome for the package of measures announced by my right hon. Friend the Prime Minister on 30 March. My right hon. Friend the Minister referred to the 62 points of the action plan and set out how we propose to take forward many of them.

However, I should pick up on some of the points made about the action plan, particularly those that were most frequently the subject of Members' concerns. I fully understand the continuing difficulties in the dairy sector. I am glad that the package included not only devising a programme for agri-monetary payments—the first such payments to the dairy sector—but the removal of hygiene charges, moves to scrap the limits on the over-30-months scheme and important moves on the code of practice, which we hope will help the dairy industry and others. Many hon. Members, including my hon. Friend the Member for Clwyd, West (Mr. Thomas), referred to relationships in the food industry.

It has not been pointed out during the debate that we are committed to a campaign for the generic promotion of milk and have passed an order through the House to facilitate that. I hope that the campaign will appear shortly and will be as effective as many well known milk-drinking campaigns of the past. My hon. Friend the Member for Clwyd, West mentioned school milk schemes. We have been active in support of the European Union school milk scheme and have attracted a lot of support from other member states.

Mr. Paterson: If the Minister was in Shropshire tonight and saw a male black-and-white calf born, what would she advise the farmer to do with it?

Ms Quin: The market for calves is strengthening. There are also initiatives on finding future opportunities for the calf market. The Ministry and the National Farmers Union have taken forward some interesting and

[Ms Quin]

worthwhile initiatives on issues such as ethical veal. I recommend that the hon. Gentleman looks at some of them. We cannot answer all the problems of finding markets in the industry, but we are actively seeking to do what we can.

I very much welcome the decision of my right hon. Friend the Secretary of State for Trade and Industry that the successors to Milk Marque can get involved in processing. That important point has not been mentioned in the debate.

Many right hon. and hon. Members were concerned about the pig industry. I am glad that some, including the hon. Member for West Tyrone (Mr. Thompson), welcomed what we had done at the summit and the scheme that we devised to avoid falling foul of European Union state aid rules. Again, that is not all that we have done for the pig sector. As well as the appointment of the verification officer in the Ministry of Agriculture, Fisheries and Food, who has already had some success in curbing misleading labelling and has persuaded certain supermarkets to change their labelling as a result—

Mr. Stephen O'Brien (Eddisbury): Will the Minister give way?

Ms Quin: I have only five minutes left to deal with some of the points that have been raised, so if the hon. Gentleman will forgive me, I will not give way.

We have given guidance to trading standards officers and offered support for the promotion campaign on animal welfare standards. Yesterday I was at the National Agricultural Centre in Stoneleigh, launching the promotion campaign to highlight the animal welfare standards that we have met in the pig industry. The campaign message is simple—to support farmers who look after their animals properly. Right hon. and hon. Members may have already seen advertisements in today's national press. We believe that that will be important in drawing our consumers' attention to the high standards in our industry, and the importance of helping our producers at a difficult time.

The right hon. Member for Skipton and Ripon (Mr. Curry), who chairs the Select Committee on Agriculture, made a number of interesting points about the importance of tackling red tape. I believe that he has welcomed some of the initiatives that we have taken, particularly in the review of red tape and the fact that MAFF has been so willing to accept the conclusions of the three working groups. I assure the right hon. Gentleman that the concept of not gold-plating, and of having a commitment to look at the competitiveness of our industry in relation to other European countries, is at the heart of our approach. He called it a change of policy, but I believe that it is a policy that we have always had. However, I assure him that ours is a deep-seated, determined and purposeful approach.

The hon. Member for West Tyrone welcomed the progress that we have made in Northern Ireland by being granted low BSE incidence status. He is right that there are a number of complexities in that situation. None the less, we believe that Commissioner Byrne, along with Ministers here and in Northern Ireland, are working hard for a successful outcome that gives Northern Ireland that status but does not provoke some of the problems about which certain producers have worried.

The Government have a long-term, as well as a short-term, approach to agriculture. That was evident in the farming summit, but it has also been evident in earlier pronouncements by MAFF, particularly when my right hon. Friend launched the new direction for agriculture last December.

We are in the vanguard of change in Europe. Many right hon. and hon. Members referred to common agricultural policy reform. The way in which we have chosen to implement the possibilities under the second pillar of the CAP has shown how we can move away from the traditional CAP production support towards a policy of rural development, which helps diversification in agriculture. Indeed, we have been far more active than the hon. Member for South-East Cornwall (Mr. Breed) seemed to give us credit for. The money that has been allocated for marketing under the rural development regulation is dramatically more than that under the agricultural development scheme, which was a beginning.

In terms of reforming the common agricultural policy and moving forward to a new long-term sustainable direction for agriculture, the Government have done more in three years than the previous Government did in 18. We have a long-term strategy, and I believe that the British people will prefer Labour achievement to Tory opportunism on agriculture and the countryside. Therefore, I invite the House to support our motion.

Question put, That the amendment be made:—

The House divided: Ayes 123, Noes 257.

Division No. 194] **[7 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, Rt Hon James
Atkinson, David *(Bour'mth E)*
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fox, Dr Liam
Fraser, Christopher
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
Madel, Sir David

Major, Rt Hon John
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Sir Brian
Nicholls, Patrick
O'Brien, Stephen *(Eddisbury)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Portillo, Rt Hon Michael
Prior, David
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Geoffrey Clifton-Brown and
Mr. John Randall.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Barnes, Harry
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Benn, Rt Hon Tony *(Chesterfield)*
Benton, Joe
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blizzard, Bob
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Rt Hon Terry *(B'ham Hodge H)*
Dawson, Hilton
Dismore, Andrew
Donohoe, Brian H
Dowd, Jim
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Grogan, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hope, Phil
Hopkins, Kelvin
Howells, Dr Kim
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ilsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Meacher, Rt Hon Michael
Michie, Bill *(Sheff'd Heeley)*
Miller, Andrew
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Rt Hon Ms Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Rt Hon Jeff
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Salter, Martin
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark

Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Vis, Dr Rudi
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Winnick, David
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Greg Pope and
Mr. Tony McNulty.

Question accordingly negatived.

Main Question put and agreed to.

Resolved,

That this House takes note of European Union Document No. 6629/00, a Commission proposal on the prices for agricultural products (2000–01); supports the Government's intention to negotiate an outcome which takes account of the interest of UK producers, consumers and tax-payers alike; and also takes note and approves of the action which the Government has taken in partnership with the industry to launch the new Action Plan for Farming to ensure that British agriculture is more sustainable, dynamic and diverse, and more consumer and market-orientated.

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Ordered,

That, for the purposes of their approval under section 5 of the European Communities (Amendment) Act 1993, the Financial Statement and Budget Report 2000–01 and the Economic and Fiscal Strategy Report 2000–01 shall be treated as if they were instruments subject to the provisions of Standing Order No. 118 (Standing Committees on Delegated Legislation).—*[Mr. Kevin Hughes.]*

TRADE UNION AND LABOUR RELATIONS

Ordered,

That, for the purposes of its approval under section 204 of the Trade Union and Labour Relations (Consolidation) Act 1992, the draft Code of Practice on Access to Workers during Recognition and Derecognition Ballots shall be treated as if it was an instrument subject to the provisions of Standing Order No. 118 (Standing Committees on Delegated Legislation).—*[Mr. Kevin Hughes.]*

PETITION

National Service Men

7.14 pm

Mr. Simon Hughes (Southwark, North and Bermondsey): It gives me great pleasure to present a petition on behalf of the National Service Veterans Alliance in relation to the 2.2 million of our fellow citizens—all men—conscripted for national service between 1945 and 1963—*[Interruption.]* The hon. Member for Greenock and Inverclyde (Dr. Godman) says that he was among them—so were my two older brothers.

Like many colleagues, I support the objective of the petitioners. The petition states:

The Petition of We the Citizens of the United Kingdom who support the reasons set out in the declaration below.

Declare that We support the tangible recognition of National Servicemen conscripted between the end of World War Two and the cessation of National Service 1963.

The Petitioners therefore request that the House of Commons support the following two remedies:

1. The award of a National Service Medal to every man conscripted for National Service irrespective of where he served.

2. The erection of a National Monument to Peace recognising the contribution played by the two million two hundred thousand of the Nation's young Men conscripted to guard that Peace.

And We the Petitioners respectfully trust this Petition worthy of consideration by the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

There are 10,000 petitioners and it is with great pleasure that I present their petition to Parliament.

To lie upon the Table.

Hospital Hygiene

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kevin Hughes.]*

7.15 pm

Dr. Jenny Tonge (Richmond Park): I have wanted to highlight the problem of cleanliness in national health service hospitals for some time and, because of what I shall say, it is fortunate that tomorrow is the anniversary of Florence Nightingale's birthday and also international nurses day, as I am sure the Minister is aware.

By tackling dirt and disorder in the hospitals in the Crimea, Florence Nightingale became, and still is, a national heroine; she is a personal heroine of mine, and always has been. It is worth remembering that, in the first winter of the Crimean war, 40 per cent. of wounded men who were brought to the barrack hospital at Scutari died; it was a no-hope place. The death rate among the general population in Great Britain at that time was 35 per 1,000 people—only 3.5 per cent. After six months' work by Florence Nightingale, the death rate among the wounded in the barrack hospital was 3 per cent. That was an astonishing achievement in a short space of time.

If one wants to learn quickly how Florence Nightingale achieved that, I recommend a trip to the Florence Nightingale museum, which is just across the river in the entrance to St. Thomas's hospital. It is a delightful gem of a place that celebrates the life and work of Florence Nightingale, a formidable lady who, without modern medicines—and despite the often fatal interventions of members of my profession—saved thousands of lives.

Florence Nightingale was in the Crimea for only two years, but she returned to England and for nearly 60 years did the same work in hospitals here. She completely transformed nursing and medical care. She introduced simple hygiene measures, scrupulous cleanliness in her hospitals and efficient nurse training. That is all described in her book, "Notes on Nursing", which is still available, and in many other writings; she was a prolific author and always published her findings. Ministers in the Department of Health should read her book if they have not done so already—I hope that they have.

Florence Nightingale's most quoted remark is quite beautiful. She said:

> It may seem a strange principle to enunciate as the very first requirement in a Hospital that it should do the sick no harm.

That was a revolutionary remark in her time. Some 140 years after the founding of the school of nursing at St. Thomas's hospital by Florence Nightingale, we can no longer say that hospitals do no harm. In hospital, 9 per cent. of patients acquire infections—that is nearly one in 10. Unfortunately, no data are collected centrally on the number of deaths that result from hospital-acquired infections, but probably about 1 per cent. of all deaths are from that cause.

The incidence of resistant bacteria has increased. Methicillin resistant staphylococcus aureus—MRSA—is now a huge problem and I pay tribute to my hon. Friend the Member for Twickenham (Dr. Cable), who has raised that issue on several occasions and asked many questions about it. It is resistant to most antibiotics and can kill debilitated patients very quickly. Incidents of MRSA infection—which are defined as three or more patients affected at one time—rose from 342 in 1992 to a peak of 2,364 in 1997. I am glad to say that the number of those incidents is beginning to fall, but we must watch it carefully. The National Audit Office estimates that hospital-acquired infections cost the health service £1 billion a year, which is an awful lot of funding. Only today, I heard that two London teaching hospitals have recently had to close wards because of MRSA infections.

We may not be able to see the bacteria, but spending time in a health service hospital—as I still do—soon reveals why there are so many incidents of infection. I sometimes feel that I am walking into a third-world hospital because the standards of cleanliness are so bad. There are dirty corridors and filthy wards. Swabs and tissues are left lying around patients and uneaten food is left about. One of my constituents complained that the drip stand holding the drip bottle going into her arm was caked in blood all the time that it was in use. Toilets and bathrooms are dirty.

My constituents and others have also seen those things. Indeed, many hon. Members approached me when they found out that this Adjournment debate was to take place to say that their constituents had given them similar examples. An elderly friend of mine who was recently admitted to a well-known hospital for major surgery acquired bedsores and an MRSA infection within a week of her admission.

Florence Nightingale must be turning in her grave. After all that progress, we are slipping back to the dirt and carelessness of previous centuries. Antibiotics and disinfectants are no longer our saviours. What a nonsense it all is. I have worked as a doctor in the health service for many years, and the reasons for the dirtiness are staring me in the face. First, and importantly, cleaners are no longer employed directly by the trusts and are not under the supervision of ward sisters—I am sorry, that is not politically correct, I mean the senior ward nurses—where we are lucky enough to have them.

There is another arrangement instead, of which I have hands-on experience and which used to drive me mad. The trust contracts out the cleaning to the best tenderer, standards slip after the first few weeks as the company cannot live up to expectations, and the ward's senior nurse has to contact the cleaning manager, who contacts the contractor, to renegotiate stiffer terms. There is then a six-month trial period, standards begin to slip again and the whole process starts once more. That is a scandal, as are the wages paid to some of those cleaners.

It does not help that the cleaners are no longer part of the ward team. They are no longer appreciated or properly supervised. We must bring back directly employed cleaning staff under the supervision of ward sisters and senior nurses. The Royal College of Nursing and the British Medical Association are calling for that, and I hope that the Government are listening.

Medical and nursing staff themselves are not all blameless. I hate to criticise the angels of the NHS—not just nurses, but junior hospital doctors as well—but I must do so. One of the recommendations in the NAO report is that staff should wash their hands, which, apparently, they do not do very often. Eight per cent. of trusts in the NHS do not even have a policy on hand washing. Why one should need such a policy escapes me. Just before I came into the Chamber, I had a phone call from a nurse saying that what I had been saying earlier was absolutely right.

[Dr. Jenny Tonge]

She told me that, again and again, she sees nurses failing to wash their hands before going on to the next patient. That is not a very nice fact.

The NAO's wonderful report recommends hand washing in recommendation 25, but, in case anyone cannot read, it also has a comic strip that shows in pictures how to wash one's hands—quite extraordinary. The report's next recommendation states that routine procedures such as ward cleaning are also important—surprise, surprise; it has taken a long time to come up with those remarkable observations. I find it unbelievable that, in 2000, 150 years after Florence Nightingale, the NAO has to tell people working in the NHS to wash their hands and keep the wards clean.

Nurses and doctors must have more practical training. Theory is all very well, but we appear to have lost touch with practical procedures. We cannot have staff flitting around hospital wards like little mosquitoes, spreading disease between patients. Discipline, hygiene and proper practice must be insisted on. Again, the senior nurse on a ward, who once ruled supreme in such matters, must supervise the nurses on the ward and ensure that those things are done. I have to say that the good old hospital matron used to carry out spot checks relentlessly to ensure that proper practice was observed.

We must do something about the problem. I know that the Government are extremely concerned about the issue, and I have no doubt that the Minister will mention the NAO report and others—but the evidence makes depressing reading. I have been through the whole report: it speaks of infection control teams, infection control nurses and infection control doctors and how many beds they should supervise; it speaks of clerical support to collect statistics and managers to write reports about the teams and the statistics; it speaks of computer hardware and software, and electronic patient record systems; but the only real sense it contains is in the recommendations that should not have had to be there—those on hand washing and cleaning.

Clinical staff would say that more doctors and nurses are needed. It is all very well criticising doctors and nurses for not clearing up after they have carried out a clinical procedure, or for not washing their hands before going on to the next patient, but if their pager is going off and they are rushing off to a patient who will die if they do not get there immediately and there are not enough doctors and nurses to go around, corners sometimes get cut or they forget to do those things. We need better pathology departments, and—hint, hint—better-paid technicians to perform screening tests on patients, and staff to enable infections to be isolated before they spread. I have to pay another tribute to my hon. Friend the Member for Twickenham, who introduced a debate in the House on pay and attracting more technicians and scientists into hospital laboratories.

In a fax sent to me today, the BMA neatly summed up the case, saying

> the measures most likely to have an immediate effect in the protection of patients from hospital acquired infections are the hygiene disciplines—practices and procedures commonplace in the food industry—

which include—

> Adequate washing and changing facilities, the provision and laundering of protective clothing, the maintenance and cleaning of premises and the imposition of handwashing disciplines.

Florence Nightingale said it all 150 years ago, and we should have been doing all those things ever since.

Medicine has progressed in an amazing way in the past 100 years: we do things in health service hospitals now that were undreamt of 30 years ago, when I was a student; I cannot believe the progress that has been made. However, with all the advances, we appear to have thrown out common sense and good clinical practice. Please, let us bring Florence Nightingale back before it is too late.

7.29 pm

The Parliamentary Under-Secretary of State for Health (Ms Gisela Stuart): I congratulate the hon. Member for Richmond Park (Dr. Tonge) on securing a debate on this important issue. It provides me with an opportunity to demonstrate the Government's commitment to improving the cleanliness of hospitals.

Hospital cleanliness matters to patients, to visitors and to staff. It is as important today as it was in the time of Florence Nightingale, the 180th anniversary of whose birth falls tomorrow, as the hon. Lady said. I cannot promise that we will resurrect Florence Nightingale, but we can do a lot to re-establish some of the principles that she espoused. We will be celebrating the anniversary as part of international nurses day tomorrow, so this is an opportune moment for me to pay tribute to the contribution that nurses have made throughout the years to the comfort and care of patients.

Cleanliness matters for patient comfort and service quality. When we are ill, we have a right to expect high-quality medical care. It is vital that that care is provided in the best possible surroundings. No one should receive treatment or have to recuperate in a dirty or uncared-for environment. Our hospital staff, too, want and deserve an efficient, well-run, clean working environment, because without it they cannot deliver proper care, and in most cases that need for cleanliness is met.

We need to put the matter in perspective. Last year, the second national survey of national health service patients in England asked 112,000 patients suffering from coronary heart disease about their experiences in hospital. We specifically asked about cleanliness in toilets and bathrooms, and 93 per cent. rated them as fairly clean or very clean. We know that we must raise the standards of those few that do not match the majority.

Only this week, my right hon. Friend the Secretary of State for Health stated his commitment not only to consult but to listen and act on the public's views. Through the national plan, patients and the public will be able to have their say on creating a 21st-century NHS. We would be pleased to hear people's views on this important issue.

There are three strands to making our hospitals cleaner. First, people must know what standards they are expected to achieve; secondly, they must have the tools to achieve them; and thirdly, there must be evaluation and monitoring of whether they are being achieved. When this Government came to power, there was a notable absence of all three strands. However, we saw the importance of the issue and we are taking action.

We have made it absolutely clear that clinical governance is as important as corporate governance, and I can demonstrate that we mean business. The Commission for Health Improvement will provide robust, independent scrutiny of NHS arrangements, through a rolling programme of clinical governance reviews.

The commission's expertise and focus will be clinical but its remit will also include important non-clinical, organisational factors. It will work closely with other external review and inspection bodies such as the Health and Safety Executive and the Audit Commission to ensure the comprehensive clinical and non-clinical monitoring of NHS hospitals. Additionally, NHS Estates can offer expert guidance and advice to the commission where the quality of facilities management is in question. Its regional office teams will review performance of non-clinical support.

A vital component of our commitment is our initiative on controls assurance, which will set the framework for standards. The programme sets out national standards in key quality areas. It is part of our overall aim of reducing unacceptable variations across the country and driving up standards. One standard covers infection control and is directly relevant to this debate. Furthermore, we are already developing explicit standards on hospital cleanliness.

The existing controls assurance standards already require a whole hospital approach to infection control. They clearly state that infection control committees should have facilities managers as full members. One specific criterion requires prevention and control of infection to be considered as part of all service development. Trusts are further directed to have robust agreements for service provision, whether in-house or through contract, with regular monitoring of standards. The standards and guidance were issued last year and are expected to deliver improvements in performance.

We have made it absolutely clear what we expect, but we have also taken steps to provide the tools for the job. We have done that with money, with standard setting and by working with the service.

Improving the environment is not just about cleanliness. In his speech to the Royal College of Nursing, my right hon. Friend the Secretary of State announced that ward sisters will control a budget of at least £5,000 to improve their ward environments. That will give them direct power to make the changes necessary to modernise hospital wards, which could include painting walls or replacing worn carpets. Responsibility will hence move away from managers to those who work on the wards.

Better-maintained and better-cleaned wards will ensure that patients feel better, and research shows that where patients rate their environment more highly, they get better more quickly; staff morale also benefits.

We have also helped staff to improve their own services. We have endorsed the excellent work carried out by the Infection Control Nurses Association and the Association of Domestic Managers in producing "Standards for Environmental Cleanliness in Hospitals". The hon. Lady's debate is timely. I have a copy of those standards, hot off the press, which will be distributed by NHS Estates and posted tomorrow to every chief executive in the NHS. After the debate, I shall be happy to give the hon. Lady the first copy to go into public circulation.

The standards are explicit statements of best practice. They have been produced by people working in the NHS. As the hon. Lady commented, people who work in the system know best where it is going wrong and how we can improve it. They understand the problems and know the realities involved in keeping hospitals clean. From tomorrow, all NHS hospitals will be able to use the standards.

Some people argue, and the hon. Lady suggested, that one of the reasons for poor standards of hospital cleanliness is the system of compulsory market testing. In some cases it may be true that standards have fallen because of that, but NHS trusts are required to achieve a high-quality service for their patients. When market-testing a service, the trust should award the contract to the bidder who best meets the quality standards required and offers value for money. On-going evaluation of cleaning standards will be set against the national standards.

Dr. Tonge: I thank the Minister for giving way. May I press her a little further on that point? She must realise that with the tightness of their budgets, trusts invariably go for the cheapest tender, rather than the one that offers the best-quality service.

Ms Stuart: I hope that the hon. Lady will be reassured that the NHS Executive is currently reviewing the policy on market testing. Also, we have put more money into the NHS trusts. We must be clear that we expect value for money, which entails meeting the cleaning standards.

We want to encourage the domestic staff. The hon. Lady mentioned that for some time, cleaning staff have not felt that they were part of the team. They must be seen as part of the ward team delivering services to the patient, and must not feel that their contribution is not appreciated. They should realise that it is an extremely important contribution. It is easy to forget that domestic services staff are the second largest staff group in the NHS, and their contribution is invaluable.

The proposed guidelines will highlight the importance of securing best value for patients. They will stress how important it is to decide what is required in terms of quality and patient satisfaction, as well as cost. In a sense, who provides the service matters less than the quality standards being delivered. If the required quality standards are not reached, the work should be given to someone who can deliver it effectively. Chief executives and trust boards are held accountable for the performance of their support services.

NHS Estates has endorsed a series of good practice guides designed by the Health Facilities Consortium. The guide on cleaning and domestic services has a scoring system for quality, and clear performance measures. It allows trusts to compare performances and to evaluate their own performance.

I share the hon. Lady's incredulity at the National Audit Office report and the comic-strip guidelines about how to wash one's hands, but they are clearly needed if there is a failing. However basic it may seem and however much we may lay ourselves open to ridicule, if that is the way forward, we will take it. Hospital-acquired infection is an important topic, and the report is much appreciated. It is clear that we now treat patients who probably would not have been treated only a decade ago. They are often very sick and vulnerable to infection, and the medical procedures that they undergo may be invasive. The nature of the care they receive may present a greater opportunity than in the past for infections to gain a foothold.

We are taking infection control seriously. Within the controls assurance programme, we have developed 15 infection control criteria. They include the requirement to ensure that infection control teams are in place. The teams are usually led by a medical microbiologist,

[Ms Stuart]

and include nurses with specialist training. They are an important part of the chain of influence involved in keeping hospitals clean. The controls assurance standards require infection control teams to be involved at all stages of the contracting process for hotel services. That includes laundry and clinical waste management, as well as cleaning. It means that clinical and quality concerns are kept at the heart of the management process.

Along with those clear guidelines for what trusts should do and how they can achieve it, we have promoted training opportunities for those who make it happen. We know that people who are confident in their expertise will have greater job satisfaction, and will deliver higher standards. That is why I am so keen to support training initiatives for housekeepers and domestic staff. Both the facilities good practice guides and the standards for environmental cleanliness emphasise the role of training, and we expect all trust chief executives to act on them.

That brings me to our final strand of work, which involves improving monitoring, evaluation and implementation. We are tackling that at all levels—from that of the individual housekeeper on the ward to that of data-gathering for the whole NHS. At grass-roots level, we want people to take pride in their work. We know that when people feel ownership of their environment, they take better care of it. We know that training people to explicit standards enables them to judge their own performance. One of the criteria in the Health Facilities Consortium good practice guides relates to the number of domestic staff with national vocational qualifications. By encouraging training, we are encouraging all housekeepers and cleaners to evaluate their own service.

Our latest figures tell me that each acute trust now has an infection control team, but in the past there have been problems. There have not always been clear lines of accountability, and a significant number of trusts have reported that they do not have adequate support. We have therefore taken steps to help infection control teams to carry out their work, and also to monitor progress. The NHS action plan enshrined in health service circular 2000/02 identifies the need to ensure robust arrangements, with specific targets to cover issues related to infection control teams. We have also made available a patients' journey toolkit from NHS Estates—a simple audit form that tracks patients through their hospital experience. It is filled in by the patient; trusts can use it to identify areas for improvement, and can use it again to measure the impact of their efforts.

Local evaluation is essential, but we must also monitor progress at the centre. All trust chief executives were required to complete baseline assessments in March this year against the controls assurance standards. They must report them to regional offices by July, outlining the actions that they intend to take. We have also introduced monitoring arrangements led by regional directors of public health and performance management. They will be charged with maintaining the reporting system, supporting trusts and—importantly—establishing early warning systems. We have asked the NHS Executive board to monitor progress. We need to measure costs, but also to ensure that management systems are in place.

There is, however, another issue that is worth considering. Even if cleaning had no infection control aspects and did not cost money, it would still matter to this Government, for the simple reason that it matters to patients. It is just not good enough for patients to have to receive care in dirty wards. It is not good enough for visitors to have to negotiate piles of cigarette ends outside hospital entrances, and it is not good enough for staff to carry out their work in substandard conditions.

Those considerations are not just the icing on the cake; we are determined to put them high on the agenda of every trust. I know that the hon. Lady's constituents will be pleased to learn that their local hospitals are receiving practical help from us, in the form of clear standards. That clarity, along with clear lines of accountability, will ensure that dirty hospitals are stamped out.

I thank the hon. Lady for raising the issue, and for giving me an opportunity to assure the House—and her constituents—that across the board we are committed to improving cleanliness, and that we have the means to ensure that that aim is achieved

Question put and agreed to.

Adjourned accordingly at fifteen minutes to Eight o'clock.

House of Commons

Friday 12 May 2000

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Orders of the Day

Licensing (Young Persons) Bill

As amended in the Standing Committee, considered.

Clause 1

AMENDMENT OF PART XII OF THE LICENSING ACT 1964

9.33 am

Mr. Barry Gardiner (Brent, North): I beg to move amendment No. 20, in page 1, line 8, after "in" insert "or from".

Madam Speaker: With this it will be convenient to discuss the following amendments: No. 54, in page 1, line 8, after "in" insert "or through".

No. 5, in page 1, line 9, after "he" insert "knowingly".

No. 19, in page 1, line 9, after "sells" insert—

'or offers for sale or otherwise supplies, whether for payment or not,'.

No. 24, in page 1, line 23, after "in" insert "or from".

No. 55, in page 1, line 23, after "in" insert "or through".

No. 15, in page 1, line 24, leave out "knowingly".

No. 58, in page 1, line 24, after "allows" insert "or facilitates".

No. 26, in page 1, line 24, leave out "person" and insert "employee or agent".

No. 9, in page 1, line 24, after "sell" insert—

', or is recklessly indifferent as to whether any person sells,'.

No. 25, in page 1, line 24, after "sell" insert—

'or offer for sale or otherwise supply, whether for payment or not,'.

No. 27, in page 1, line 26, leave out—

'Subsection (1) of this section applies to'

and insert—

'In this section "employee" means'.

No. 28, in page 1, line 27, after first "in" insert "or from".

No. 56, in page 1, line 27, after first "in" insert "or through".

No. 57, in page 2, line 4, after "in" insert "or through".

No. 30, in page 2, line 4, after "buy" insert "or otherwise obtain".

No. 32, in page 2, line 7, after "buy" insert "or otherwise obtain".

No. 59, in page 2, line 10, after "bar" insert "or similar facility".

No. 37, in page 2, line 27, leave out "in a bar".

No. 10, in page 2, line 30, leave out "knowingly".

No. 17, in page 2, line 30, after "knowingly" insert "or recklessly".

No. 39, in page 2, line 40, after "sold" insert "or otherwise obtained from".

No. 18, in page 3, line 9, after "knowingly" insert "or recklessly".

No. 44, in page 3, line 10, after second "sold" insert "or otherwise provided".

No. 45, in page 3, line 15, at end insert "or provision.".

No. 53, in clause 3, page 4, line 7, at end insert—

'(4) The provisions of this Act shall apply to the House of Commons as if it were licensed premises.'.

Mr. Gardiner: It may interest the House to know that I had a long-standing invitation from the residents of the Abbeyfield home in the Kenton ward of my constituency to partake of refreshment with them. However, instead of drinking coffee with some of our senior citizens, I find myself trying to prevent drinking among our most junior citizens. I tender my apologies to the Abbeyfield residents, but I am sure that they will appreciate the importance of this Bill, and I trust that I will be able to share a cuppa—and I dare say something even stronger—with them at a later date.

Clause 1 states:

A person shall be guilty of an offence if, in licensed premises, he sells intoxicating liquor to a person under eighteen.

Amendment No. 20 is intended to support the Bill and the aims set out by my hon. Friend the Member for Pudsey (Mr. Truswell), as are all the others that I have tabled. My hon. Friend is held in great respect in the House for his campaigning work on behalf of his constituents, and many colleagues have admired the work that he has done to close the loopholes in the Licensing Act 1964. That Act made it an offence for a licensee or his servant to sell alcoholic drinks to a person under 18, but no offence was committed if the servant was a person who was not directly employed by the licensee. Where off-licence staff are the employees of a large retail chain rather than of the manager who holds the licence for the branch, under the 1964 Act no action can be taken if a member of that staff sells alcohol to a child.

My hon. Friend had particular and tragic cause to set about this reform of the licensing law. The death of his young constituent, David Knowles, was precipitated by sales of alcohol under the circumstances that I have described—indeed, two such sales took place inside five minutes. It is clear that the law must be changed. The amendment would not detract from the Bill; it has been tabled with the sole aim of making the Bill stronger.

The clause talks about people "in" licensed premises selling intoxicating liquor. Colloquially, people often talk about things falling "off" the back of a lorry, and much of the alcohol sold in Britain today seems to have come from precisely that source. However, my intention with the amendment is to focus on the preposition "in", and on the ways in which alcohol can be sold.

[Mr. Gardiner]

Any hon. Member who has been to a car boot sale will know that the law states that goods should be displayed in the car boot. However, all sorts of racks and tables are used that I have never seen in any Halfords store. It is clear that the use of the word "in" is often abused in practice.

When I was much younger, Mr. Deputy Speaker, I used to spend my holidays just down the coast from your constituency, in West Kilbride in Ayrshire, which I am sure that you know well. In those days, it was common for Rose, a young friend of mine, to be sent by her parents for two cans "from round the back". That meant that Rose went to the back door of the pub, where she was able to purchase a couple of cans of Tennents lager.

From that it is clear that the clause, with its use of the phrase "in licensed premises" is not sufficient to deal with all situations in which alcoholic beverages can be sold from licensed premises to minors. Therefore, the amendment, by inserting the words "or from" into the clause, would reinforce the interdiction against the sale of alcohol from the curtilage of a licensed premises.

Amendment. No. 19 applies to the provision that a person shall be guilty of an offence if he sells intoxicating liquor to a person under 18. I have no doubt that you, Mr. Deputy Speaker, like me, have little time to watch television. One of the things that I have seen in the past few months, however, is an advertisement for a Belgian lager, Stella Artois, which prides itself on being very expensive. I have no knowledge of the brew myself, but I understand that it is quite popular in pubs up and down the country. In the advertisement, a person enters a continental hostelry with a bunch of flowers and offers it to the licensee in return for refreshment. The landlord drives a peculiarly hard bargain, because by the end of the advertisement, the hostelry is bedecked with flowers—red roses or red tulips, I think.

The point of that humorous example is to prove that the clause's reference to selling alcohol is not sufficient to catch all the ways in which it may be provided on the premises to people who wish to obtain it. My amendment would make provision for any type of supply, whether through exchange or barter, or whether payment is involved when the refreshment is provided.

Credit sales are not permitted under the existing legislation except when food is also provided—one must partake of a meal in order to deposit a credit card and run a tab. The law is already much abused in practice, and it has become customary for people to run a tab. I am mindful of the old cartoon strip in which Andy Capp used to go into the bar and put his purchases on the slate. Andy was frequently refused any more beverages because he already had far too much on the slate and his credit had run out. However, the law actually provides that one should not be supplied with drink on credit in that fashion.

Mr. Michael Fabricant (Lichfield): Some pubs offer deals, so if they have an Oktoberfest, for example, and one buys a meal of Wiener schnitzel and German sausages, one might be able to have alcohol with it. Would such a situation be covered by the amendment?

9.45 am

Mr. Gardiner: My understanding is that that is the sort of situation in which credit would apply because a meal is provided. I agree with the hon. Gentleman that it seems ludicrous that, for the duration of an entire beer festival, one should be able to keep on drinking on the basis of having bought one Wiener schnitzel.

The amendment would strengthen the clause where it provides that a person shall be guilty of an offence

if, in licensed premises, he sells intoxicating liquor . . .

and would make it clear that accepting other forms of payment such as exchange, barter, gifts and credit would also constitute an offence.

Amendment No. 25 applies to the provision of knowingly allowing any person to sell intoxicating liquor to a person under 18 and would insert the same words as proposed in amendment No. 19. I do not propose to rehearse the same arguments, because it is clear that the rationale for the amendments, as I argued in relation to amendment No. 19—

Maria Eagle (Liverpool, Garston): Is my hon. Friend absolutely clear that the rationale would be the same for each of these offences? They range from people selling alcohol, allowing somebody under their control to sell it, purchasing alcohol and sending someone else to purchase it. Is the rationale for the amendments exactly the same for all those offences?

Mr. Gardiner: I am grateful to my hon. Friend for her intervention. The amendments make precisely the distinction to which she refers, between the sale of intoxicating liquor to a person under 18 and a licensee or manager allowing such a sale to take place. It is important that licensees should be totally in control of the situation on the licensed premises in which they operate and over which they have authority.

In the original tragic case to which I referred, which inspired my hon. Friend the Member for Pudsey to introduce the Bill, I believe that the manager of the premises was not, even in the first instance, considered for prosecution by the police because he was deemed to have taken all appropriate steps in training and advising staff of the dangers of selling alcohol to minors. Therefore, only the staff who had actually sold the alcopops to the young man were initially subject to prosecution, which, sadly, had to be dropped at the third attempt by the Crown Prosecution Service after the case had been delayed.

I thank my hon. Friend for having raised that point. It is important that managers and licensees are in control when they allow sales by people under their authority in the pub—their agents. They must appreciate all the different ways in which alcohol can be provided—not just through sale but through other methods of supply.

Amendment No. 30 relates to proposed new section 169C of the 1964 Act, which deals with the purchase of intoxicating liquor by or for a person under 18. The Bill provides that a person under 18

shall be guilty of an offence if he buys or attempts to buy intoxicating liquor.

Previous parts of the Bill deal with agents on licensed premises—the licensee or manager—and this part creates an offence if someone under age seeks to obtain

intoxicating liquor on the premises. I use the word "obtain" because it reflects the intention of my amendment. The Bill should not cover only attempts to buy, because alcohol can be provided in different ways, including exchange, gift or credit, and those should be taken into account.

Mr. Fabricant: The hon. Gentleman is generous in giving way. It seems sensible to try to close what might be a loophole, but can he give some statistics or assess the proportion of alcohol obtained, but not purchased, by those under 18? How serious a problem is that?

Mr. Gardiner: The hon. Gentleman makes an important point. Alcohol is provided to minors in many different ways in public houses. Many Members may be unaware that young people may legally obtain liquor on licensed premises. The hon. Gentleman may be as surprised as I was to learn that a 17-year-old may not buy intoxicating liquor at the bar of a public hostelry, but an 18-year-old may buy it, take it into the garden and—perfectly legally—provide beer, wine or even spirits to a child of only 10 or 11. That flies in the face of all that we want.

Maria Eagle: Parts of my constituency have a thriving black economy in which the bartering, swapping and giving of alcohol and other consumer goods—virtually anything one could want—occurs. I appreciate my hon. Friend's concern to define as tightly as possible. From experience, I can tell him that these things go on, even if it is not possible to produce statistics for the black economy.

Mr. Gardiner: I am grateful to my hon. Friend and well aware of the ways in which children engage in barter and exchange. My eight-year-old son, Cameron, has not yet graduated to barter and exchange for alcohol—nor will he, I trust—but Pokémon cards are a frequent source of conflict in the playground and elsewhere in my community. No doubt, many parents would sympathise with me on that score.

The hon. Member for Lichfield (Mr. Fabricant) asked about the amount of alcohol consumed by minors. In a 1998 survey of 14 to 15-year-olds, more than 50 per cent. of males and females said that they had, in the past seven days, obtained at least one of the following in one form or another: spirits, Martini, Cinzano, fortified wine, wine, alcopops, cider, low-alcohol beer, beer, lager or shandy. That is a startling statistic from a reputable study backed by the Department of Health's statistical bulletin. Many studies have been made, including by the Portman Group, of alcohol drinking and abuse among minors. It is vital to make the law as tight as possible. Amendment No. 30 would, therefore, make provision for forms of supply other than purchase, such as exchange, gift and credit.

Amendment No. 32 would add a similar provision to proposed new section 169C(2), which states:

> A person shall be guilty of an offence if, in licensed premises, he buys or attempts to buy intoxicating liquor on behalf of a person under eighteen.

The amendment would again reinforce the Bill by ensuring that drinks cannot be passed on by a proxy.

Amendment No. 39 deals with the delivery of intoxicating liquor to a person under 18. Proposed new section 169F(1) states:

> A person who works in licensed premises, whether paid or unpaid, shall be guilty of an offence if he knowingly delivers to a person under eighteen intoxicating liquor sold—

at which point I would insert "or otherwise obtained from"—

> in those premises for consumption off the premises.

I thought carefully about that amendment as there are different forms of delivery.

The hon. Member for Lichfield has outlined the case of provision for someone else, and handing over intoxicating liquor to a person under 18 constitutes delivery of the sort that we wish to exclude. However, there is a form of delivery that may be perfectly proper, and I am pleased that the proposed new section takes account of that at subsection (4), which states:

> Subsections (1) and (2) of this section do not apply where—
>
> (a) the delivery is made at the residence or working place of the purchaser, or
>
> (b) the person under eighteen works in the licensed premises in a capacity, whether paid or unpaid, which includes the delivery of intoxicating liquor.

The intention is not to stop a person—perhaps a trainee or a young man aged under 18—who, in the course of gainful employment, takes delivery of a consignment of alcohol. That would not be an offence.

10 am

Mr. Fabricant: The hon. Gentleman will appreciate that my interventions are intended to be constructive so as to clarify a worthwhile measure. He might be aware that about 12 per cent. of all the alcohol consumed in the United Kingdom is imported through the channel ports. I was especially interested in this subsection because it refers to the delivery of alcohol. Does he believe that the provision and his amendment would cover the importation of alcohol that is then delivered to people aged under 18 for drinking at parties and so on?

Mr. Gardiner: The hon. Gentleman makes an interesting point. The clause is not intended—nor should it be—to reinforce Customs and Excise provisions. Hon. Members are well aware of the smuggling problem. As the hon. Gentleman rightly points out, smuggled alcohol affects young people and under-age drinkers disproportionately because, as it is already illicit, it is sold on the black market, so the scrupulous controls exercised on licensed premises by licensees and their agents do not obtain.

Mr. James Paice (South–East Cambridgeshire): The hon. Gentleman has not quite addressed the point made by my hon. Friend the Member for Lichfield (Mr. Fabricant). Alcohol coming in through the channel ports does not necessarily break Customs and Excise rules, nor is it always sold on the black market. Customs rules allow the import of alcohol bought in France for personal use. My understanding of that is that it would apply to a party.

If one showed an invitation—for example, to a 21st birthday party—Customs and Excise would allow alcohol to be brought in for personal use. Under the proposed amendment, it would be an offence for a person to buy a couple of cases of beer from an off-licence in Britain for

[Mr. James Paice]

a family party where under-18s were allowed to drink it, but if the alcohol for the party was bought in France it would not be an offence because it had not been bought in the UK. Is there not a conflict?

Mr. Gardiner: I am grateful to the hon. Gentleman for clarifying the intervention made by the hon. Member for Lichfield. I had not appreciated the full import of his question. However, the answer is no. The clause states:

> A person who works in licensed premises, whether paid or unpaid, shall be guilty of an offence if he knowingly delivers to a person under eighteen intoxicating liquor sold—

and, if my amendment is accepted—"or otherwise obtained from"—

> those premises for consumption off the premises.

The intoxicating liquor has to be obtained from those premises by someone employed there, so a person who imported intoxicating liquor from abroad would not be affected by the provision.

Mr. Paice: I beg to differ with the hon. Gentleman. Proposed new section 169C(2) states:

> A person shall be guilty of an offence if, in licensed premises, he buys or attempts to buy intoxicating liquor on behalf of a person under eighteen.

Surely that means that if I bought a couple of cases of beer from an off-licence or a pub—knowing that I was going to make it available for under-18s—I should be guilty of an offence. That is why the provisions could be conflicting when liquor is imported.

Mr. Gardiner: I hesitate to point out to the hon. Gentleman that we are discussing amendment No. 39—it was on that provision that the hon. Member for Lichfield intervened. It relates to proposed new section 169F. I hope that clarifies the matter.

Maria Eagle: I thank my hon. Friend for giving way—I hope I am not putting him off his stride. When I first read this extremely worthy Bill, it struck me—coming from south Liverpool as I do—that many under-age drinkers obtain alcohol not from licensed premises but from other sources. If my hon. Friend's amendment—plus the ingenious proposal of the hon. Member for Lichfield (Mr. Fabricant)—could be said to extend to those other deliveries that are not from licensed premises, would that not be wholly good for the prevention of under-age drinking? Of course, we should need to clarify the law so that people understand it—that is most important. Would it not help the purpose of Members on both sides of the House if we used our imagination, as suggested by the hon. Gentleman, so as to extend these worthy provisions more widely than the promoter of the Bill originally intended?

Mr. Fabricant: On a point of order, Mr. Deputy Speaker. Will you be prepared, during the course of the morning, to accept manuscript amendments to the Bill to enable us to extend it in the way suggested by the hon. Lady?

Mr. Deputy Speaker (Mr. Michael J. Martin): The answer will be no.

Mr. Gardiner: Mr. Deputy Speaker, you never fail not to surprise me.

I agree with my hon. Friend the Member for Liverpool, Garston (Maria Eagle) about the inventiveness of the hon. Member for Lichfield. I should welcome many interpretations of the provisions that reduced drinking by minors. In some respects, the prospect held out by the hon. Gentleman of widening their scope is attractive. The White Paper and my investigations into the matter as a member of the licensing law reform panel make it clear that it is sensible for parents to be able to introduce their children to alcohol properly, in a measured way, within the confines of their own home, perhaps at the dinner table. The law has always allowed for that. The Government's view is that it offers a sensible way to introduce young people to alcohol under the supervision of their parents or of a responsible adult. Young people can learn to savour the quality of good beer, for example. Others might acquire a fine palate for good wine. They can be educated into sensible and moderate drinking.

I am not opposed to drinking, and I suspect many hon. Members are not opposed to drinking per se. However, we are opposed to irresponsible drinking and to the abuse of alcohol. In particular, we want to protect the under-18s from the dangers of unregulated exposure to alcohol.

I would shy away from extending the provisions of the clause in the way that my hon. Friend the Member for Garston suggested.

Mr. David Maclean (Penrith and The Border): I am listening carefully to the hon. Gentleman's exposition, but I am a little concerned about the proposed new section 169F, which relates to the delivery of intoxicating liquor to persons aged under 18. I am worried by its implications for the vexed question of internet sales, which I have tried, and the delivery systems of some companies appear to be quite good.

Let us suppose that, in a few years' time, the hon. Gentleman orders a case of wine from Tesco Direct, the licensed premises arm of the supermarket, and Cameron, who is now 17, answers the door, says, "Daddy is in the House of Commons" and takes delivery of the wine. The person who delivers is unsure whether the father has ordered the wine, so what would the effect of the new section 169F be in such a case? Intoxicating liquor has been delivered to someone under the age 18 even though a legitimate order was made by an adult.

Although I pose that question to the hon. Gentleman, I am conscious that perhaps the Minister should reply to it in detail when he winds up.

Mr. Gardiner: I am grateful for the right hon. Gentleman's suffix to his question.

The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien): I am not.

Mr. Gardiner: I am not sure that my hon. Friend the Minister is so grateful.

The right hon. Gentleman makes an extremely interesting point. Although the first half of the scenario painted would be covered by the point that no minor would have the credit card necessary to make an internet order, the clever second half of the example, in which the right hon. Gentleman envisages the door-step scenario of a youngster being present when the delivery is made, is one to which I have no ready answer.

Mr. Clive Efford (Eltham): I wonder whether proposed new section 169F(4) would provide the answer

to the question asked by the right hon. Member for Penrith and The Border (Mr. Maclean). It deals with whether a person is in place to prevent the delivery and was part of the act of purchasing.

Mr. Gardiner: My hon. Friend has been perspicacious in pointing that out. I had forgotten that I began by saying that proposed section 169F(4) would cover that point. Under paragraph (a), the provisions would not apply if

> the delivery is made at the residence or working place of the purchaser.

The Bill has taken account of the very point that the right hon. Member for Penrith and The Border (Mr. Maclean) raised.

Mr. Oliver Heald (North-East Hertfordshire): Would not the point made by the hon. Member for Liverpool, Garston (Maria Eagle), about sales that are made not through licensed premises but through other means, be covered by other provisions? Surely, it is an offence to sell alcohol outside licensed premises. Are we not right in wanting to channel sales into the lawful category of licensed sales and then to regulate them?

Mr. Gardiner: Yes, I do not fundamentally disagree with that. Clearly, groups such as Tesco and Safeway own licensed premises that people do not need to step into; they can make telephone or internet purchases of alcohol. I accept the hon. Gentleman's point.

10.15 am

Amendment No. 45 relates to sending a person aged under 18 to obtain intoxicating liquor. It should be considered in conjunction with proposed section 169G, which states:

> (1) A person shall be guilty of an offence if he knowingly sends a person under eighteen for the purpose of obtaining intoxicating liquor sold or to be sold in licensed premises for consumption off the premises.
>
> (2) Subsection (1) of this section applies regardless of whether the liquor is to be obtained from the licensed premises or from other premises from which it is delivered in pursuance of the sale.

The simple addition of the words "or provision" to subsection (1) would render it doubly safe by ensuring that gifts or exchange—and not just sales—would be covered.

Mr. Heald: As I understand it, the amendment is designed to deal with a situation in which someone sends a child to the licensed premises with a bunch of roses to say, "Give us a Stella Artois." Does that happen very often, in the hon. Gentleman's experience?

Mr. Gardiner: I remind the hon. Gentleman of the anecdote with which I started my speech. In West Kilbride in the early 1960s, my friend Rose would be sent—not with a bunch of roses for Stella Artois—to get two cans of Tennents lager on tick; it was all credit sales based on the assumption that mum would pay later. That is not a sale at the point that the alcohol is handed over.

It is many years since I have been to West Kilbride and I do not know what practice is currently in force there. However, I would be very surprised if informal arrangements did not allow such transactions to be carried out throughout the land. My hon. Friend the Member for Garston clarified the fact that all sorts of transactions take place that do not comply with the existing law, never mind that which is proposed in the Bill.

Amendment No. 53 would add a subsection (4) to clause 3 so that

> The provisions of this Act shall apply to the House of Commons as if it were licensed premises.

I have no doubt that I have come to the most contentious and controversial amendment that I have tabled. I hope that Members of the House will not entertain the idea that I seek in any way to undermine the privileges that they enjoy. However, the fact remains that the House is not subject to the licensing laws of the land. Over centuries, it has had a role in the regulation of alcohol—indeed, the regulation of alcohol is older than Parliament itself. It goes back to the local controls that were linked with the curfew.

Parliament became involved with the regulation of alcohol in the 13th century—more than 700 years ago—to impose controls simply on purity and price. That was the object of Parliament's intervention in those days; there was no question of it being concerned about under-age drinking or anything like that. Parliament sought to control purity and price, and began to consider public order issues, the need to provide for wayfarers and travelling craftsmen, and how to keep the labour force sober and productive. Indeed, I believe that there are Acts that deal with controlling immorality, which was often linked to the sale of alcohol.

I am not suggesting that the sale of alcohol in the precincts of the Houses of Parliament is associated with immorality in any way. None the less, if Parliament seeks to regulate the provision of alcohol to minors throughout the rest of the country, surely it should not envisage a situation in which minors are freely sold alcohol on these premises.

Mr. Fabricant: I wonder whether the hon. Gentleman has been reading too many Edwina Currie novels, as he is talking about immorality in the House of Commons. I am not getting commission from Edwina Currie for making that remark.

Has the hon. Gentleman seriously considered the constitutional issues raised by his amendment? He will be aware that the Palace of Westminster is a royal palace. Would not his amendment result in this being the first time that civil and criminal legislation has applied to a royal palace? Indeed, he will be aware that people cannot be murdered in a royal palace: they must be removed outside and then be declared dead. Is he not opening a can of worms that could create a constitutional crisis, possibly resulting in—

Mr. Maclean: Abdication.

Mr. Fabricant: My right hon. Friend suggests abdication, but I would not go as far as that. At the time of Her Majesty the Queen Mother's hundredth birthday—

Mr. Deputy Speaker: Order. I think that the hon. Gentleman has gone too far.

Mr. Gardiner: I was speaking about the time when Parliament first became involved in public order issues, and I am glad to see that you have restored order in the Chamber, Mr. Deputy Speaker.

[Mr. Gardiner]

As ever, the hon. Member for Lichfield makes an interesting point. He asked whether I had examined the constitutional issues arising from my amendment. Indeed, I have. I refer him to a case heard on 12, 13 and 14 December 1934, which involved the King, Sir R. F. Graham-Campbell and others, and was brought by Mr. Alan Patrick Herbert. On 17 May 1934, the applicant laid two informations at Bow Street police court and made applications for summonses against 15 named Members of Parliament, who were members of the King's Kitchen Committee of the House of Commons.

Of course, the House no longer has a Kitchen Committee. I believe that is now called the House of Commons refreshment Committee—

Mr. Jim Dowd (Lord Commissioner to the Treasury): Catering Committee.

Mr. Gardiner: I am sorry, the Catering Committee.

In one of those informations, the applicant stated that, on 10 April 1934, after listening to Committee proceedings on a certain Bill at the House of Commons, he and a friend visited a refreshment bar at 1.15 pm and were supplied with a glass of lager beer and a glass of gin and mixed vermouth. In the second information, the applicant stated that, at about 6.30 pm on the same day, he visited the House of Commons with another friend. They were proceeding to a refreshment bar when they met a Member of Parliament, who accompanied them there, where they were joined by a fourth person. The Member of Parliament ordered a round of drinks—which is noteworthy in itself—for the four and, even more notably, paid for them.

The chief metropolitan magistrate, Sir Rollo Frederick Graham-Campbell, before whom the applications came, held that, assuming that an offence may have been committed, Members of Parliament carrying out duties entrusted to them by the House, and under its control in a manner long practised and approved by it, and within its precincts, were not amenable to the court's jurisdiction, but were protected by the privileges of the House and were answerable only to the House of which they were Members.

That goes to the heart of the question posed by the hon. Member for Lichfield, in which he asked whether I had considered the constitutional implications of my amendment.

Mr. Maclean: I have not intervened until now because the hon. Gentleman is giving a fascinating exposition of the constitutional question. Indeed, I am glad that my hon. Friend the Member for Lichfield (Mr. Fabricant) asked about that important matter. I merely wish to tell the hon. Gentleman how pleased I am that his amendment relates to the House of Commons, not the other place, which is the first time that the Labour party has recognised the importance of allowing hereditary peers to continue administering alcohol to young people and their families in a trustworthy way in accordance with centuries-old tradition. I hope that the hon. Gentleman will not be tempted to extend his amendment to include the whole Palace of Westminster.

Mr. Gardiner: The right hon. Gentleman makes an amusing point. I am sure that, when he takes constituents to the House of Lords, he, like me, points out to them, especially the younger ones, the arm-rest on the Bench of the Lords Spiritual. That arm-rest was provided on the King's instructions because, in earlier days, their Graces partook of alcohol quite frequently, especially at lunchtime, and would fall off the end of the Bench during afternoon debates. That is the only Bench in the House of Lords to have an arm-rest.

I hope that the right hon. Gentleman was not suggesting that, as all the Benches in this Chamber have arm-rests, the purpose was the same in this House.

I return to the constitutional implications that my amendment would have in seeking to regulate the provision of alcohol in the House of Commons. It is clear that the sale of liquor in the precincts of the House falls within the House's internal affairs, which it, and it alone, is privileged to manage. The privileges of the House of Commons have never been defined and must be ascertained from what has been recorded as having been done by the House. According to Blackstone, one of the greatest authorities on our constitution, the privileges of Parliament are large and indefinite, and courts of law cannot determine the privileges of the High Court of Parliament. Blackstone's commentary, volume i, page 164, states that the privileges

> are well-known . . . to the two Houses, and to every member of them, as long as he continues a member; but the knowledge is as incommunicable as the privileges to all beyond that pale.

Maria Eagle: It is perfectly proper that the House guards its privileges and it must do so for the future of democracy to be kept safe. [HON. MEMBERS: "Hear, hear."] None the less, there are some exceptions to that. It is possible, for example, to be arrested here if one is to be charged with a criminal offence. The privileges of the House do not extend to that. Is not my hon. Friend's amendment about considering whether licensing laws are sufficiently serious to overrule the privileges of the House? Is that not the nub of his argument?

10.30 am

Mr. Gardiner: No, I must disagree with my hon. Friend. I accept willingly that a person committing an ordinary felony or misdemeanour, even on the very steps of the Speaker's Chair, would not be protected by the privileges of the House and would be amenable to the jurisdiction of criminal courts. That, however, is merely because the House has never claimed the right to adjudicate on such matters.

In Stockdale *v. Hansard*, Lord Denman stated:

> The House sits for long periods and arrangements have to be made for heating the House when the weather is cold and the provision of refreshment for the mind in the library and the refreshment for the body in suitable places. The regulation of those matters is clearly within the area of the internal affairs of the House and connected with the affairs of the House.

That is why Members' privileges relate to areas that have always been deemed to fall within the regular, traditional course and patterns of events in this place. We have never claimed that Members' privileges should extend to the sorts of ordinary criminal offence to which my hon. Friend referred.

Mr. Fabricant: The hon. Gentleman is in danger of unintentionally misleading the House. As I understand it, the Metropolitan police have powers in the House of

Commons only by virtue of the fact that we have given them such powers. The Serjeant at Arms has supreme power over control of order in the House of Commons.

Mr. Gardiner: I accept that, but I seek to focus our debate more particularly on the purpose of the amendment.

Although there are more proper points to be considered on how the amendment would affect the rights and privileges of hon. Members, I cannot in all conscience believe that hon. Members are so fastidious in guarding their privileges that they would not wish to apply the provisions of this estimable Bill to the House of Commons, as if it were licensed premises, in the sale, provision, supply and delivery of alcohol to those under the age of 18. That would mean that the law that we seek to impose throughout the country to protect minors from the dangers of alcohol would not be enforced in the confines of Parliament.

Mr. Maclean: The hon. Gentleman has been most courteous in taking interventions. One concern that I have about his amendment is how it would affect situations in which we are asked by charitable organisations in our constituencies—and other organisations not so charitable, such as party bodies—to provide a bottle of intoxicating liquor for a raffle or tombola prize. If in those circumstances a Member of Parliament supplied a bottle of House of Commons whisky and the winning ticket was bought by a minor, would there not be a danger of the Member falling foul of proposed new section 169F—delivery of intoxicating liquor to a person under 18—of the licensing Act 1964? I appreciate that the hon. Gentleman may not be able to respond to that, but I hope that, before his winding-up speech, the Minister will have a full briefing on that point from those who are specially qualified to give him that information.

Mr. Gardiner: I am grateful to the right hon. Gentleman for that point. As someone who has presided over bottle stalls on numerous occasions and over raffles on even more numerous occasions, I can only tell him of my habitual practice, which I recommend to him. I automatically tell any minor holding a winning ticket, "You will have to go to get your mother, father or another responsible adult because I will not give a bottle of alcohol to a minor." I hold to that whether I am on a bottle stall at the local school fete or involved in a raffle for which alcohol is one of the possible prizes. I urge the right hon. Gentleman to follow that practice because, in his position, it is best not to be seen to be dishing out alcopops or any other form of alcohol to young people. It is as simple as that.

I do not wish to detain the House much longer; I know that many hon. Members want to speak.

Mr. Heald: During the hon. Gentleman's reminiscences about bottle stalls, it occurred to me that his amendments on other methods of provision, apart from sale, might affect raffles. The reason why a raffle does not require a licence is that it does not involve a sale. If other methods of obtaining were included in the law, would not raffles be covered?

Mr. Gardiner: Let me think carefully about that. We are talking about licensed premises.

Mr. Russell Brown (Dumfries): Will my hon. Friend give way?

Mr. Gardiner: I shall respond to the intervention of the hon. Member for North–East Hertfordshire (Mr. Heald), then happily give way to my hon. Friend.

If I expanded the scope of the hon. Gentleman's example to a raffle on licensed premises, there would be force to his point that such a raffle might fall under the Bill's provisions. However, my understanding is that a raffle not held on licensed premises would not be covered by the Bill.

Mr. Brown: On the issue of raffles and the purchasing of raffle tickets, I am sure that each and every one of us in this House has at some stage purchased a raffle ticket for our children or even grandchildren. I am sure that none of us has passed alcohol to our child or grandchild if we have been fortunate enough to see their ticket drawn. As responsible adults, we purchase such tickets in good faith, but would never intend to pass on the winning prize, should it be alcohol, to any of our children aged under 18.

Mr. Gardiner: Absolutely; I concur with my hon. Friend. It has cost me quite dear on occasions to purchase, as it were, from my child the right to do him out of what he saw as his raffle prize. When my children have won a bottle of spirits or other alcohol in a raffle, I have bartered with them, as I said earlier. I say, "I will buy you a packet of Pokémon cards but you can't have the bottle." It is all a matter of negotiation with one's children, and I am afraid that, over the years, my children have become extremely adept in such matters. I take my hon. Friend's point; of course he is right. No responsible parent would allow their child simply to take a bottle of alcohol as a raffle prize and retain it at their own free disposal. It simply is not the action of a responsible parent.

The amendments are positive and helpful. They are designed, not to detract in any way from the Bill, but to strengthen it and reinforce its provisions. They would help to create an environment in this country in which young people were not exposed unduly to the dangers of alcohol, or to the circumstances that gave rise to the case that prompted my hon. Friend the Member for Pudsey to introduce the Bill. We want no more tragedies associated with under-age drinking to occur.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. There are several amendments in the group; they are printed on the appropriate document, which is available to hon. Members.

Mr. Eric Forth (Bromley and Chislehurst): On re-reading the Bill's long title, it occurs to me that it offers

[Mr. Eric Forth]

an intriguing possibility, which, at this stage, I mention only in passing, to allow the Minister and the Bill's promoter to reflect on it. It states that the Bill would

Make provision in connection with the sale and consumption of intoxicating liquor in cases—

note those words—

involving persons under eighteen; and for connected purposes.

My question for the hon. Member for Pudsey (Mr. Truswell) is whether that excludes the sale of individual bottles. We can return to that issue later—

Mr. Paul Truswell (Pudsey) *rose—*

Mr. Forth: Oh, it appears that I am to have an immediate answer.

Mr. Truswell: Rather than protract the debate, let me say that the answer to that question is no.

Mr. Forth: The promoter might say that, but further advice might be required. It is as well that I did not spot the provision earlier, because it might have given rise to some interesting amendments.

The hon. Member for Brent, North (Mr. Gardiner) has given the House not only a tour de force, but an informative speech that has highlighted some of the potential difficulties inherent in the Bill, which others of us have also spotted. To ensure that the Bill fully achieves its purpose—let there be no doubt that that is the reason why we are all here today—we must satisfy ourselves that it neither goes too far, nor falls short of that purpose.

The Bill would operate in a surprisingly complex area. The first complexity, which I and others have spotted, is the use in proposed new section 169A of the phrase "in licensed premises". That raises several questions, which the hon. Gentleman touched on, connected with the relationship between those making the purchase, those making the sale and the way in which the transaction is carried out. Even though the Bill uses the words "in licensed premises", the long title extends it far more broadly. In the references to car boot sales and raffles, we begin to see the potential difficulties arising from the bewildering variety of ways in which items, whether intoxicating liquor or any other goods, can pass from one person to another.

In simpler days, in West Kilbride and elsewhere, we all thought that we well understood the direct nature of sale and purchase. I am an old man whose memory stretches back even further than the hon. Gentleman's, and I can remember the days long before credit cards, when all sales were cash sales—unless, as he rather ingeniously points out, they were achieved through some sort of informal credit arrangement, or, as the hon. Member for Liverpool, Garston (Maria Eagle) has helpfully pointed out, through some sort of barter.

10.45 am

We might want to return to the issue, but, in passing, it is worth saying that we realise that, for the Bill to function fully and properly, it must cover all the bewildering variety of means of transaction available for the sale and purchase of intoxicating liquor. That is the intention behind some of the amendments standing in my name, which would add the words "or through" after the word "in". They would help to broaden the scope of the Bill properly to encompass all the different sorts of transaction.

We can well imagine the many different ways in which transactions can take place. There is the conventional way, through the use of cash, occurring in licensed premises, which is the most basic, straightforward and simple method of transaction and the one that probably springs to mind first. I suspect that, when he was framing the Bill, the hon. Member for Pudsey envisaged a person walking into licensed premises, ordering intoxicating liquor, handing over some cash and then leaving with the cans or bottles in his possession. It is relatively easy to frame provisions to deal with such transactions.

However, broadening our notion of modes of transaction makes the issue more complicated. The ordering process can be carried out over the telephone, or by fax—I would imagine that many licensed premises now have fax facilities, and people generally have such machines in their workplace and increasingly in their home—or via one of those ghastly e-things that I keep hearing about.

Mr. Gardiner: E-forth?

Mr. Forth: No, certainly not, although I am grateful for the pun.

I do not want to dwell on such issues at this stage, as I suspect that my right hon. Friend the Member for Penrith and The Border (Mr. Maclean) or my hon. Friend the Member for Lichfield (Mr. Fabricant), both of whom are expert in these matters, might wish to elaborate, should they catch your eye, Mr. Deputy Speaker, as I hope that they will. I merely introduce the subject. However, even with my almost zero knowledge of such matters, I am aware that commercial transactions can now be effected through the use of e-things. I presume, therefore, that it is possible to order intoxicating liquor e-wise. Given that the ordering process is possible via voice telephony, fax—I managed to operate the fax machine in my office for the first time this morning, which engenders a feeling of triumph—or some sort of e-facility, we have to broaden our conceptualisation of the Bill and its purpose to encompass the modes of transaction that are now widely available to people under 18.

Related to that is the fact that transmission of the product—in this case, intoxicating liquor—from the person who makes the sale to the purchaser now occurs to a lesser extent on licensed premises. Increasingly, the product is delivered, or it is distributed by the less than legal means mentioned by the hon. Member for Brent, North, or is passed on through barter. I am not sure whether barter is illegal; perhaps the hon. Member for Garston can advise us. I see that she has a sheaf of papers in her hand and I am aware of her enormous legal expertise. Given that it was she who raised the issue of barter, it is possible that she can advise us as to its legality in the context of the Bill, if not otherwise.

Mr. Deputy Speaker: Order. The hon. Lady will be able to advise the House if and when she catches my eye. However, I should like the right hon. Member for Bromley and Chislehurst (Mr. Forth) to mention the

amendments that are the subject of this debate. He appears to be making a more general speech, and I am sure that he does not want to do that.

Mr. Forth: Certainly, it was far from my mind to make a general speech, Mr. Deputy Speaker. I apologise for not making it clear that I was speaking in the context of amendments Nos. 19, 25, 30, 44 and 45, all of which touch on possible methods of payment and whether or not transactions take place on licensed premises. These matters are, I believe, germane.

I mentioned barter. That emphasises the fact that, faced as we are with such a bewildering array of methods of purchase, we must ensure that the Bill encompasses all those and deals satisfactorily with them.

The same applies to amendments Nos. 26 and 27. We must be satisfied that the more complicated relationships that can now exist between the licensee, the licensee's employees or agents of the licensee, and the person making the purchase are all adequately covered.

When the promoter of the Bill sums up the debate on this group of amendments—I hope that the Minister will be able to guide the House as well—we will require from him reassurance that all the matters raised by the hon. Member for Brent, North, which I am trying to reinforce and, in some cases, to amplify, will be covered by the Bill in its present form, or by amendments to strengthen the effect of the Bill.

That is the point of the Report stage, and those are the matters that must be dealt with. We must satisfy ourselves that all the conceivable and likely circumstances that may arise with regard to purchase, whether through an agent or an employee or through the licensee himself or herself, will be adequately covered by the Bill.

Amendment No. 59 touches on a different matter, which rather worries me. In the Bill, the word "bar" is used. For example, proposed new section 169E states:

> A person under eighteen shall be guilty of an offence if, in a bar in licensed premises, he consumes intoxicating liquor.

Unless I am told later that that is some term of art of which I have hitherto been unaware, my concern is that the use of the word "bar" is far too restrictive. Traditionally, we have been used to terms such as cocktail bar, public bar or lounge bar, although those are rapidly going out of fashion. They were the terms that I was used to when I was introduced to drinking alcohol.

We have gone far beyond that. The sorts of premises on which intoxicating liquor is now sold vary enormously from the traditional concepts that I have just mentioned, and include, as the hon. Member for Brent, North said, pub gardens, which are becoming increasingly popular, to say nothing of theme pubs, where the point of the exercise and the attraction of the premises is that they are much more varied. Theme pubs may contain many more different rooms, styles and areas in which the consumption of intoxicating liquor can take place.

The worry is that the use of the term "bar" may turn out to be overly restrictive. There is at least the possibility that loopholes could arise in cases where the physical premises were not properly covered by the terms of the Bill.

That is even more the case in the light of the Government's excellent proposals—as I told the Home Secretary when he introduced them a few weeks ago—to liberalise in a responsible and sensible way the licensing of intoxicating liquor. I praised the proposals at the time; I am not sure that the Home Secretary was pleased about that, but he was gracious, as ever he is.

However, we must pause and reflect. To the extent that we may sensibly and responsibly liberalise the consumption of intoxicating liquor, we must make sure that the terms of the Bill will cover the possibilities that may arise in the fairly near future, as I understood it from the Home Secretary. We will be guided by the Minister. In the context of what the Home Secretary has recommended and the consultative manner in which he did so, it is incumbent on us to ensure that the Bill will be able to deal with the changes that may well occur in the foreseeable future.

Mr. Paice: I am grateful to my right hon. Friend for giving way. I endorse his comments on the use of the word "bar", which occurs in at least two subsections. From those, it seems that the opportunity for consumption in a part of a pub or licensed premises without a bar would get round the legislation. I do not understand why the word appears at all. If the wording had been "consumption in licensed premises" or "within the curtilage" of such premises, to cover pub gardens, it would have been a much clearer description. I wonder whether the word "bar" is defined in law, anyway.

Mr. Forth: My hon. Friend reinforces my anxiety. Any of his suggestions would probably be an improvement. I tried rather inelegantly to get round the problem by adding "or similar facility", which I thought would cover all the eventualities, but the unnecessary use of the word "bar" may be unduly restrictive, unless we are told that "bar" is a legal term of art whose coverage is much wider than I thought.

Maria Eagle *rose—*

Mr. Forth: I may be about to get some legal advice.

Maria Eagle: I do not propose to offer legal advice, not least because I am no longer insured to do so. I do not recall whether I ever came across a definition in law of "bar", but I suspect not. However, it has a common meaning, which the law would pick up immediately. To me, it means the place from where the beer is sold and from which the barman or bar staff serve it. Other rooms would not count as being the bar. Can the right hon. Gentleman clarify the wording that he proposes—"or similar facility"? Does he mean other rooms within the curtilage, or the garden as well? What is his definition of "or similar facility"?

Mr. Forth: I am grateful to the hon. Lady. I had in mind the place where the intoxicating liquor was dispensed. On reflection, I may not have achieved my purpose. The hon. Lady has been helpful. Perhaps I had a mental block and thought of "bar" in the traditional sense of cocktail bar, public bar and lounge bar. The legal definition may be anything over which the liquor is passed in the course of making a sale or a purchase. A trestle table might do—for example, in a pub garden.

Mr. Maclean: I am grateful to my right hon. Friend, who, in his rigorous style, has come across—I was going

[Mr. Maclean]

to say "stumbled across", but that would be unfair—a possible lacuna. We are dealing with a 1964 Act, which in the section under discussion envisages only two systems for selling alcohol—licensed premises, which would be the off-licences, and bars, as they existed in 1964.

My right hon. Friend's terminology "or similar facility" is too tightly related to the old-fashioned concept of a bar. We may need a wider form of words, which would allow for theme park situations, where there may not be a trestle table, a bar or a counter, and people may be served alcohol in odd locations. The alcohol may all come from a kitchen or a bar pantry, and there may be no bar or counter as such. My right hon. Friend is on to a valid point, but his amendment is still too tight.

Mr. Forth: The more I think about the matter as the debate proceeds, the more I am inclined to plead guilty to what my right hon. Friend has just said. My amendment is defective. I can envisage circumstances in which, say, on a hot day, someone was serving drinks out of a large refrigerator direct to the public for payment of cash. There might be nothing remotely like a bar or trestle table in sight, but the serving and the transaction would still take place.

Maria Eagle: In some premises, which have been described in newspapers in the past year, one can serve oneself because there is a tap on every table. Where is the bar in those circumstances?

11 am

Mr. Iain Duncan Smith (Chingford and Woodford Green): On a point of order, Mr. Deputy Speaker. Have you received a request from the Government to make a statement on the worsening crisis in Sierra Leone? We learned through the media yesterday and this morning that the Government have shifted their position and extended the mandate for British troops to stay in Sierra Leone by four weeks beyond the original task. Conservative Members—I hope all hon. Members—are worried about the families of those serving in Sierra Leone. They need much greater clarification.

There seems to be confusion between the Foreign Office and the Ministry of Defence. It has been suggested that there might be a commitment for as far ahead as 2001. The Government owe it to the House to clarify the position. What is the mission statement? What are our troops expected to do? The Government should explain that as quickly as possible because the families of those serving will be worried until that moment.

Mr. Deputy Speaker: I thank the hon. Gentleman for raising that point of order. It is not a matter for the Chair, but I am sure that the appropriate Ministers have heard the hon. Gentleman's comments.

Mr. Forth: Again, I am grateful to the hon. Member for Garston for her intervention. The more we consider clause 1, the more we need solid reassurance from the promoter, or the Minister, that he is satisfied that it is both as tight and as wide ranging as it should be. Section 169 of the Licensing Act 1964, to which the clause applies, provides that previous sections do not apply when the sale, purchase or consumption of alcohol takes place at a meal in the part of the licensed premises that is not a bar and is usually set aside for the service of meals. In a roundabout way, that gives a hint of the variety of ways in which intoxicating liquor can properly be purchased and consumed.

Mr. O'Brien: It may help the right hon. Gentleman if I explain that a bar is an area designated by the licensing justices in granting the licence. It is therefore specified in the licence.

Mr. Forth: I am grateful to the Minister. On the face of it, his comment appears to set the matter at rest. I shall not therefore explore it further.

Mr. Heald: The hon. Member for Brent, North (Mr. Gardiner) explained about the training of children to drink alcohol sensibly by buying drinks and giving them to children in small quantities in pub gardens. Would not my right hon. Friend's amendment make that impossible? Specifying any facilities in licensed premises would make it an offence for a child under 18 to consume the alcohol that had been bought on the premises in a pub garden.

Mr. Forth: The more I consider the matter, the more that I realise that I shall probably not want to press my amendment. I shall not make a final decision until I hear the Minister's comments. However, in view of my hon. Friend's point, I have probably missed the target by a wide mark.

Mr. Gardiner: I want to correct the impression that I had said that part of the education of young children about responsible drinking would take place in pub gardens. I used the example of the pub garden on a separate point. There should be a proper role in the home for parents to give children under the age of 18 the chance to acquire a taste for alcohol responsibly. I was happy for that to happen in the home, but less happy about its occurrence in pub gardens.

Mr. Forth: I am grateful for that clarification.

Mr. Fabricant: My right hon. Friend shares my interest in our relations with the United States. Does he believe that the Minister's definition of bar is adequate? Perhaps my right hon. Friend has visited Ye Olde King's Head in Santa Monica, California. I was a student there—at the university of Southern California, not Ye Olde King's Head. However, I spent some time at Ye Olde King's Head. Although it had a bar, most Americans tended not to sit at the bar because there were also tables there. Strangely enough—

Mr. Deputy Speaker: Order. The hon. Gentleman should remember that he is making an intervention. I call Mr. Forth.

Mr. Forth: I am sure that, if my hon. Friend catches your eye later, Mr. Deputy Speaker, he will be able to weave those comments into his speech. However, I am grateful to him, because his intervention reinforces my

point and shows the Minister that, despite his helpful intervention, he will perhaps want to set our minds totally at rest when he winds up.

I want briefly to consider amendment No. 53. Despite the marvellous, succinct history lesson given to us by the hon. Member for Brent, North, I was not entirely satisfied with his explanation for wanting to change the status of the House of Commons. My hon. Friends and I were puzzled that the amendment applied only to the House of Commons, not to the Palace of Westminster; it would be anomalous for it to apply only to this end of the Palace. It is possible to deal with the Palace from this end, and for their lordships to consider the matter when the Bill goes to another place, as it will shortly.

Even if we accepted the aims of amendment No. 53, I am not satisfied that it makes sense to restrict them to the Commons end of the Palace.

Mr. Fabricant: Surely my right hon. Friend does not support this potential constitutional outrage? It would be bad enough to perpetrate it on the House of Commons without extending it to the House of Lords.

Mr. Forth: I certainly do not support it. I am simply making my preliminary observations. I had not begun to describe my feeling about the thrust of the amendment and was making the point almost in passing. I am surprised that my hon. Friend is not able distinguish between my passing and substantive comments. However, my point was valid and the hon. Member for Brent, North implied that he agreed. If we want to accept amendment No. 53, it would be better to apply it to the Palace of Westminster rather than the House of Commons. However, I do not want to accept it.

Mr. Gardiner: I appreciate that the rights and privileges of hon. Members are a sensitive issue, and an amendment that applies only to the House of Commons can be properly debated by its Members. The House of Lords will be able to table amendments in due course and introduce a similar provision for the other place.

Mr. Forth: I give the hon. Gentleman some friendly advice. I would not want to suggest amendments to be made in another place at this stage of the legislative year, for reasons that he will doubtless understand on reflection. If we want to amend the Bill, we should do it properly here, so that it requires no amendment in another place. I am sure that the promoter understands that. The amendment is therefore defective.

My genuine objection to the amendment arises from the remarks of the hon. Member for Brent, North. He said that we should treat the House of Commons, or the Palace of Westminster, like any other premises for the purpose of the Bill. I disagree. This is a special place in many ways, not only because it is a royal palace, which grants it different status. I was worried by the implication that it is almost as easy for someone under 18 to be tempted to, or manage to, purchase intoxicating liquor on these premises as it is anywhere else. I hope that that is not the case.

I would add in passing that it has long been my view that we perhaps encourage too many very young people to visit the House. Although I am keen to encourage young people of a proper age to come to the Palace of Westminster and learn what we do here, some excessively young people cannot possibly understand what is going on. Given that, I should have thought that it would be very difficult, if not impossible, for a young person to buy liquor in the House. If that is easy, we should consider our procedures rather than legislate in the way in which the hon. Gentleman suggests.

Maria Eagle: The right hon. Gentleman is as courteous as ever in giving way to me again. If we expect the rest of the country to understand, and comply with, the law, is it not important that we are seen to do so ourselves? Is not the problem public acceptance of the Bill, given that the licensing laws are not applicable here and this place is subject to the sensitivities of parliamentary privilege? The public may think that we have made an exception for ourselves. Is that not the nub of the amendment tabled by my hon. Friend the Member for Brent, North (Mr. Gardiner)?

Mr. Forth: That is a respectable argument, but I do not accept it. I know that the hon. Lady is not trying to be devious in any way, nor even trying to be seductive in the way in which she puts the argument, but in my wilder moments I might think that she was trying to introduce the thin end of a wedge with which we have become familiar recently: why should we not have the same working conditions, working hours and so on as people elsewhere? My answer is that the House is not a factory or an office; it is a legislature. It is legitimate to discuss the fact that we do things differently and, some might think, rather eccentrically here, but I am not yet persuaded that we should necessarily make what we do, how we do it and the environment in which we do it the same as in an office or factory. I am always prepared to say, "Yes, of necessity, we do things differently here," because legislating is an unusual process. This morning's proceedings illustrate that all too well. The environment in which we legislate is, of necessity, often very different.

I do not accept the suggestion of the hon. Members for Brent, North and for Garston that we should always be role models for people outside. I accept that there is a place for role models, but it is often over-emphasised. If one considers the idolatry heaped on people as eccentric as footballers or pop singers, considerable difficulties arise. I suspect that few people try to emulate Members of Parliament. Offhand, I cannot think of anyone who, in his right mind, would do so in any circumstances. I am not too worried about people considering what we do here and saying, "Let's have some of that." I suspect that that is a minuscule, almost infinitesimally small risk to run. I do not want to flog this to death, but, although I understand the motivation of the hon. Member for Pudsey, I do not agree with him. For the reasons that I have given, the amendment is defective.

The thrust of my speech is that, although it is accepted that the House very much wants to support the Bill and to give it a fair wind, it is our responsibility to ensure, as far as possible, that it covers all eventualities, that it is fit for its purpose, that it will do what we all want it to do—no more, no less—and that we can spot no loopholes in it. That is the purpose of my amendments and my few remarks. I hope that the Bill's promoter and the Minister can guide the House to a conclusion about which we feel happy so that we can pass it on to its next stage.

11.15 am

Mr. Truswell: I am exhausted with respect for the contribution of my hon. Friend the Member for Brent, North (Mr. Gardiner). If he would like to join me in proposing a Bill to license and regulate Pokémon card sales, I would welcome his assistance. As always, the right hon. Member for Bromley and Chislehurst (Mr. Forth) made an admirable, perceptive and incisive contribution.

I need not remind the House that I have lobbied for two and a half years to close the loophole that the Bill primarily addresses. Everyone will be aware of the tragic death of David Knowles, which gave rise to the Bill, so I shall not rehearse those details or circumstances today. However, I was somewhat perturbed that the Library had catalogued its briefing on my Bill under the heading "Sport and Leisure". I asked myself, "Whose sport and whose leisure?" However, given the number of amendments tabled, I suspect that the Library staff were blessed with paranormal foresight, because my Bill is clearly giving Members good sport. I do not use the word "sport" in any demeaning or pejorative sense, because all the issues that have been raised today are of the utmost seriousness.

Faced with the amendments, I feel like the holder of the parliamentary equivalent of the fairground dodgem concession. I have some ownership of the structure and its contents, but now find that hon. Members are understandably and legitimately piling in and driving around in host of directions. No doubt they will bump into each other occasionally. That is their prerogative, but I hope that they will not bump too heavily into me or my Bill.

Hon. Members will know that, from the outset, my aim was simple and straightforward: to close the loophole in the Licensing Act 1964 highlighted by the tragic death of 14-year-old David Knowles, my constituent. I need not rehearse the circumstances in greater detail because all hon. Members will be aware of them. In securing the assistance of the House in closing that loophole, I shall fulfil my pledge to David's parents to do all I can to secure that objective. The Bill, as amended in Committee, will achieve it fully and comprehensively.

I stress that the amendments are not necessary to improve the Bill, which has a narrow remit. I entirely take on board all the comments that have been made, especially by the right hon. Member for Bromley and Chislehurst. I would never be so arrogant as to suggest that many of the matters that have been or are due to be discussed are not important or valid in a much wider consideration of licensing law. They most certainly are. I find myself to be the parliamentary India rubber man; I completely agree and sympathise with many of the amendments, but cannot support them for the reasons that I have given. I have always wanted the Bill to be as targeted and precise as possible.

I was tempted to include other measures, many of which are the subject of amendments. The licensing laws are generally thought to be outdated and, as we know from the White Paper, they are in need of major overhaul. I succumbed only once to that temptation, to include a measure—which, I believe, the House supported unanimously—to outlaw proxy purchasing. However, I remain conscious of the need to avoid over-stretching my ambitions and over-balancing into the oblivion of that dark pit filled with the remnants of so many private Members' Bills.

The right hon. Member for Bromley and Chislehurst might be interested to know that I had a vision—perhaps it would be more accurate to call it a nightmare—of the right hon. Member for Penrith and The Border (Mr. Maclean) standing in that metaphorical charnel house of perished private Members' Bills, holding a decaying copy of my Bill and uttering the words, "Alas poor Pudsey, we knew him, Bromley. He must have been a man of infinite jest to think that he could get away with this lot." I must apologise for referring to the right hon. Gentleman when he is not in the Chamber. That terrible vision has guided my every step in this matter, and it is why I have tried to be specific and have concentrated on closing the loophole.

The Second Reading and Committee stage of the Bill were admirably summed up by the hon. Member for Daventry (Mr. Boswell). He said that we were all hon. Friends with regard to the Bill, and I hope that that still obtains. However, some of the amendments in this and other groups would clearly break that unanimity.

My Bill was intended to repair anomalies in the 1964 Act. It is not intended to build a brand new production line model, tempting though that objective may be. That is a broader and more comprehensive task than can be discharged by my humble private Member's Bill. Right hon. and hon. Members will raise matters that should, and I hope will, be taken into account by the Minister in the comprehensive review of licensing legislation outlined in the recent White Paper.

Nevertheless, a number of issues have been raised that I hope the Minister will want to discuss with me if we have the opportunity, with the possibility of enshrining them in the Bill if that is possible within the narrow confines that I have described and that I have been working to.

As I said on Second Reading and in Committee, I am pleased that my Bill has fulfilled this further purpose of promoting much broader debate. It has prompted a broader discussion on a much wider range of very important issues. Most of the amendments, if not all, are intended to signal to the Minister the feelings of the House on those broader issues. I know that he will be mindful of many of them, and will no doubt treat each of them with the seriousness that they deserve, and will respond accordingly. I shall not attempt to steal his thunder.

It is an added benefit that my Bill has acted as a catalyst for such a wide-ranging debate. It is fair to say that it is a dress rehearsal for a much more comprehensive series of debates that I hope will take place in the near future. Those debates will be based on the issues raised by the White Paper and subsequent proposals for legislation.

In conclusion, although I am pleased that my Bill has acted as a catalyst, I remind the House that a catalyst is an agent that, while promoting a reaction—a beneficial reaction it is hoped—remains unchanged itself. I hope that the outcome of today's debate will be that my Bill will stand as amended in Committee, and that Members will understand the reason why I am arguing that particular line.

Mr. Fabricant: Like many other hon. Members, I give the Bill my general support. Under-age drinking continues

to be a problem in the United Kingdom, and it is important that we try to close the loopholes that enable it to happen. I praise the hon. Member for Pudsey (Mr. Truswell) for promoting the Bill, and also the hon. Member for Brent, North (Mr. Gardiner), who has tabled some worthwhile amendments. I do not know whether the amendments will be pressed to a vote, but they warrant the House's consideration. They would improve the Bill and would close the loopholes that the Bill is designed to close.

I shall address in particular the amendments tabled by the hon. Member for Brent, North. Amendments Nos. 30 and 32 concern the buying or obtaining of alcohol. The hon. Gentleman rightly argued that there are alternative ways to obtain alcohol that may not involve the passing of money across a bar. Alcohol may be bought on credit—on tick, to use his words. Drinks may be put on the slate.

The hon. Gentleman gave the example of the cartoon strip character Andy Capp, which I think is still published in *The Mirror*. I invite Labour Members, who probably read *The Mirror* more often than I do, to correct me if I am wrong. I gather from their silence that I am not wrong. Incidentally, it is interesting to note that Andy Capp is syndicated throughout the United States. What they make of the character I do not know.

People can obtain alcohol by various means other than simple purchase. Without amendments Nos. 30 and 32, that dangerous loophole would continue to enable young people to obtain alcohol. I invite the Minister to explain his position on that.

Amendment No. 39 concerns the delivery of alcohol, and is of particular interest. My right hon. Friend the Member for Penrith and The Border (Mr. Maclean) raised the issue of internet sales. There are also telephone sales, as a result of which someone may make a delivery to a home and find that they are delivering to a younger person. Waitrose.com operated such a service when the John Lewis Partnership acquired Findlater Mackie Todd. No one would accuse a company as respected as John Lewis of being anything other than a highly responsible organisation. Should we put such a burden on delivery drivers working for John Lewis that they may break the law if they deliver alcohol to a home and unwittingly give it to someone under the age of 18?

I do not have to remind the House that, nowadays, younger people tend to look older.

Ms Sally Keeble (Northampton, North): Will the hon. Gentleman give way?

Mr. Fabricant: In a moment.

It is depressing that when I am occasionally invited to give prizes at a school speech day, the 18-year-olds to whom I am giving the prizes seem considerably taller and much more mature than I.

I shall now give way to the hon. Lady. *[Interruption.]* I shall first give way to my right hon. Friend the Member for Penrith and The Border.

Mr. Maclean: I am grateful to my hon. Friend for giving way, as I suspect that the hon. Member for Northampton, North (Ms Keeble) and I want to make the same point. Deliveries to someone's residence or working place would not be in breach of the law, and we need to explore that matter later. My concern is about the charity event, the function or the political do. People may be setting things up and someone arrives to deliver the drink for that event. A 16 or 17-year-old working there may take charge of the delivery and assist in setting up the bar. That would not be covered by the provision in new section 169F(4).

Mr. Fabricant: My right hon. Friend is right. Under proposed new section 169F(4),

> if the delivery is made at the residence or working place of the purchaser

subsections (1) and (2) do not apply. Is that in itself a loophole? Would that allow younger people legally to order alcohol so that delivery is made to the home? Does that issue need to be addressed?

Ms Keeble: Does the hon. Gentleman accept that to hold the difficulties of e-commerce against such a Bill as this is unrealistic, as everyone knows that e-commerce is fraught with all kinds of regulatory problems?

11.30 am

Mr. Fabricant: The hon. Lady makes a powerful point in relation to the comments of my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), who has referred to the e-word and will not bring himself to say e-mail. Huge problems will arise from the growth in e-commerce, not least in terms of the collection of indirect revenues by Customs and Excise. The right hon. Member for Manchester, Gorton (Mr. Kaufman) chooses to buy his compact discs from Tower Records in New York off the internet. One wonders whether the VAT is paid when the goods are delivered to the UK.

Mr. Deputy Speaker: Order. That has nothing to do with the amendments before us.

Mr. Fabricant: I am not so sure about that, Mr. Deputy Speaker.

Mr. Deputy Speaker: Give the Deputy Speaker the benefit of the doubt.

Mr. Fabricant: I always give you the benefit of the doubt, Mr. Deputy Speaker.

The hon. Member for Northampton, North (Ms Keeble) is right to say that nothing we try to do in limiting the powers of the Bill should impact on e-commerce. Nevertheless, we must recognise that more and more purchases are likely to be made from home, rather than at retail premises.

I welcome the fact that the Bill includes a proposal concerning deliveries made at a residence or working place of the purchaser. However, that in itself could be a loophole. What if a young person at his place of work were to place an order for alcohol to be delivered to his place of work or home? Would that still be legal because of the proposal?

Amendment No. 59, tabled by my right hon. Friend the Member for Bromley and Chislehurst, concerns the legal definition of "bar". I accept the Minister's advice on this, but I remain concerned that the definition might be restrictive in terms of where alcohol should be sold. It

[Mr. Fabricant]

was right for my right hon. Friend to table the amendment to include the words "or similar facility" to broaden the definition.

We have heard about beer gardens, theme pubs and so on. I wish to refer to the different ways in which drink is served nowadays in pubs. When I was doing a doctorate at the university of Southern California 20 years ago—

Mr. Gardiner: More than that!

Mr. Fabricant: I fear that the hon. Gentleman's arithmetic may be more accurate than mine. While I was studying for my degree in southern California, I spent some private study time in Ye Olde King's Head in Santa Monica. I was relieved to find last year that that bar is still running. Often, trends in the United States are copied here in the UK. It was not like a pub that one would find in the UK and it was built in 1953. I was not around in 1953.

Mr. Heald: Oh yes you were.

Mr. Fabricant: My hon. Friend is right, but I was not drinking beer in Ye Olde King's Head in Santa Monica. The point is that, more often nowadays, drinks are served at the table and not at the bar. If so, despite the assurances given by the Minister this morning, I wonder whether there is a major loophole in the Bill—a Bill we all want to succeed.

Maria Eagle: Will the hon. Gentleman give way?

Mr. Fabricant: I will give way to the hon. Lady, who is a respected lawyer not only in Liverpool, but throughout this House.

Maria Eagle: I was not aware that my fame had spread beyond Liverpool in that respect. I do not pretend to be a lawyer any more, as I am no longer insured and I no longer give legal advice. I ask the hon. Gentleman the same question that I asked the right hon. Member for Bromley and Chislehurst (Mr. Forth). Would he attempt to define "similar facility" so that we can better understand precisely how the phrase extends the definition of a bar? I am not certain that it does.

Mr. Fabricant: The hon. Lady says that she is not a lawyer, but the perception shown in her question demonstrates that she still is. She makes an interesting point, and we can only go by common sense. "Similar facility" means a facility that is similar to that which has been described as a bar. If we define a bar as a place of serving, then a "similar facility" is inadequate. If we say that a "similar facility" is a facility at which alcohol can be served, that is adequate. *[Interruption.]* I should go into more detail, as the House seems confused. There are facilities at a bar, including pumps and optics. A table is the recipient place for alcohol, and there is no mechanism for producing drink.

Maria Eagle: There has been publicity in the past year about a pub with pumps at each table, and the newspapers wondered whether this promoted too much drinking. Does not that destroy the distinction that the hon. Gentleman has just made?

Mr. Fabricant: The hon. Lady is right on the point of law, but it seems unlikely that such places will spread. It would seem that a great deal of trust would be involved if one could put coins on the table and get as much alcohol as one liked—unless people are more trustworthy than I give them credit for.

Mr. Gardiner: The licensing law reform panel, of which I was a member, visited a pub in Denmark that had barrels at the end of each table. It was an extremely popular facility and one that the proprietors had franchised and were hoping to propagate throughout Europe. It is possible to gauge the amount of flow, as one does with a petrol pump, and charge accordingly.

Mr. Fabricant: That is an interesting point. One wonders how the drink is paid for. If one puts coins in a slot, one is purchasing at that point, and—this is directly relevant to the amendments, in case you were thinking of ruling me out of order, Mr. Deputy Speaker—if one can swipe a card, as at a petrol station, that is credit, which is one of the forms of payment dealt with in some of the amendments.

In any case, such facilities are a worrying development, both because they may encourage people to drink more and because they widen the definition of "bar", which is an issue that we must address before enacting the Bill.

Now we come to the very vexed question of amendment No. 53, which is designed to extend the legislation to the House of Commons. I fully accept that codes of behaviour that we seek to impose on others ought to be followed by ourselves. We do not want to be hypocrites. Indeed, I believe that the word "hypocrite" applied to another Member of Parliament would be unparliamentary language. We should not legislate and then, in principle, break the laws that we have created. However, I worry when small but important pieces of legislation erode the privilege that has existed for hundreds of years in this place.

This is not only a legislature: it is a royal palace. If we are to include the House of Commons and the other place, as the hon. Member for Brent, North has suggested, should not we include all royal palaces? Perhaps he will intervene to say whether we should do that to set an example.

Mr. Gardiner: I can never resist the temptation to intervene on the hon. Gentleman, especially when he offers so courteously.

There is a principle involved. If we want respect for the laws that we pass, we must be seen to abide by them ourselves. There is no good reason why any institution should be exempt simply by virtue of its being a royal palace.

Mr. Fabricant: The hon. Gentleman makes his arguments powerfully. I am suggesting not that individuals in the House of Commons break the rules, but that the rules may not necessarily apply or be enforced here. I would not want any Member of Parliament to commit a crime outside or inside this place, even though

it may not be defined as a crime inside. It behoves us all to set a good example, but whether the example should be set by virtue of its being demanded in the Bill is a moot point. If Members of Parliament choose to behave honourably, as we would expect others outside the House to behave, not because it is demanded by an *Act of* Parliament but because we want to set an example, surely that is even better.

11.45 am

Maria Eagle: The hon. Gentleman came perilously close to suggesting that parliamentary privilege extends to criminal activities. Our privilege allows us to speak freely, which is a fundamental tenet of our democracy, but does he accept that it does not extend to allowing us to commit crimes?

Mr. Fabricant: That is an interesting point of law, to which I do not know the answer. The Minister is looking especially blank at the moment, so I suspect that he may not know the answer either, although he may perhaps find it out before he winds up the debate.

Mr. Mike O'Brien: I do know the answer, but I was enjoying watching the hon. Gentleman squirm a little.

Mr. Fabricant: I wonder whether I might invite the Minister to elucidate, because the answer is directly relevant to whether we would want to support amendment No. 53.

Mr. O'Brien: We are covered by the criminal law. We are privileged in respect of what we say, and not so much in respect of what we do. If the hon. Gentleman were to commit a crime here, I am afraid that he could be prosecuted—although I am sure that he would not do such a thing.

Mr. Fabricant: That is helpful and suggests that my concerns about amendment No. 53 may be unfounded—it may not create a precedent. However, I rather suspect that my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) may want to make a counter-point.

Mr. Heald: Page 74 of "Erskine May" says that there was a resolution in 1626

> that the privilege of this House is that no peer of Parliament—

which apparently includes us—

> sitting the Parliament, is to be imprisoned or restrained without sentence or order of the House, unless it be for treason or felony, or for refusing to give surety of the peace.

That was apparently extended later to cover other crimes.

Mr. Fabricant: That would seem to be in direct conflict with the advice that we have just received from the Minister. We need to take time to determine whether we can be prosecuted—not that I am advocating that anyone in the House should commit a crime. Regardless of whether we are protected from the criminal law, nobody would wish to commit a crime or to set a bad example in the House of Commons.

Mr. Maclean: Will my hon. Friend reflect on this point? If it is appropriate for the Palace of Westminster and the House to set an example, surely we can do that with our own simple code of rules and procedures, without having to incorporate every jot and tittle of the *criminal law*, which is designed to prevent unscrupulous people from exploiting loopholes.

We have a host of rules, such as no smoking in the Corridor behind the Speaker's Chair. I hope that a rule will shortly be introduced banning the use of mobile phones in the Pugin Room. We have a whole range of rules of etiquette and procedure that rightly do not apply to people outside, and we can discipline ourselves internally. If we want to set an example by not selling or handing alcohol to youngsters, we can do that through our internal rules in all the relevant bars.

Mr. Fabricant: That is an interesting point, but are those rules not similar to byelaws? Are not they additional laws rather than replacements for those that exist outside? I suspect that they are additional, so my right hon. Friend's point, powerful though it is, may not be entirely relevant in this case.

Mr. Gardiner: I agree that regulations on such things as mobile phones would be part of the rules of any institution, club or group in the country, but all such groups are covered by the laws governing the sale of alcohol, and would be covered by this Bill. However, the peculiarities of the House mean that its catering and refreshment services are not governed by the licensing laws. Amendment No. 53 would simply ensure that the Bill would apply to the House as much as to the rest of the country.

Mr. Fabricant: What the hon. Gentleman says is right, from the point of view of the law. However, the House is the second oldest Parliament in the world, after Iceland's Althing, and we must not risk throwing away its traditions and independence. The ratchet effect evident in the reform of the House of Lords means that, once made, a change is difficult to reverse.

It is interesting that the Bill as drafted did not contain the provision proposed in amendment No. 53. I wonder whether the hon. Member for Pudsey (Mr. Truswell) deliberately chose not to include the House of Commons in the provisions of his Bill. The hon. Gentleman is well known to have a great sense of historic tradition, and to understand that the House's value lies in its freedom and independence. Hon. Members can legislate here without fear of outside intervention.

Mr. Truswell: To clarify that point, I can tell the hon. Gentleman that I left untouched most of the existing legislation. I touched only those parts that I had to in order to close the loophole that I had identified.

Mr. Fabricant: I thank the hon. Gentleman for that intervention.

The hon. Member for Brent, North said that the Bill would affect the Refreshment Department of the House of Commons. I have the great privilege to serve on the House of Commons Catering Committee, which was mentioned earlier. I hope that hon. Members do not expect me to pass on complaints to members of staff, but the

[Mr. Fabricant]

hours worked by both Houses of Parliament set this organisation apart. The laws that govern organisations outside the House cannot apply here, although I repeat that there is no wish to be hypocritical: we must not make laws that we subsequently ignore.

I do not agree with amendment No. 53, and consider that it would not be wise to accept it. The hon. Member for Pudsey is right: effective law is simple and addresses the point. Overall, the Bill does just that. The hon. Gentleman has explained why he has introduced it, and both he and the family of his constituent will have the sympathy of the whole House. Moreover, the hon. Gentleman has the admiration of the House for introducing the Bill, but its proposals must be kept simple. Amendment No. 53 merely complicates matters, and it should be rejected. However, I wish the Bill as a whole well, and hope that it receives a fair passage this morning.

Maria Eagle: Before I speak to the amendments in my name, I should like to pay tribute to my hon. Friend the Member for Pudsey (Mr. Truswell), the promoter of the Bill. I listened carefully when he told the House why the Bill is drafted so narrowly. I understand that approach completely, as I attempted to promote a Bill last year and know the restrictions and difficulties that can be encountered. I have no intention of diverting my hon. Friend from the purpose that he set out so clearly. The amendments in my name are probing amendments that will allow one or two points to be made, but I shall not press them.

My hon. Friend the Member for Calder Valley (Ms McCafferty) promoted a Bill similar to this last year. My hon. Friend the Member for Pudsey won a higher place in the ballot than did my hon. Friend the Member for Calder Valley last year. Her Bill managed to get a short Second Reading, but it did not get the time that has been devoted to this Bill. My short but intense experience of these matters leaves me with no doubt that my hon. Friend the Member for Pudsey will have been helped by the process that my hon. Friend the Member for Calder Valley went through last year. We should not forget her when we pass out congratulations on this Bill.

Mr. Truswell: I should like to clarify one matter. I introduced a Bill to try to close the loophole highlighted by the tragic death of David Knowles a year before my hon. Friend the Member for Calder Valley (Ms McCafferty) introduced her Bill. Moreover, my hon. Friend's Bill went considerably further than this Bill, and would have been more contentious.

Maria Eagle: I am grateful to my hon. Friend. I was forgetting his ten-minute Bill on this subject.

Mr. Truswell: I also had a Presentation Bill on this subject.

Maria Eagle: My hon. Friend has put in even more effort than I realised, over a sustained period of time. I am sure that the parents of his constituent will be grateful to him for the effort that he has put in, and we all wish the Bill well.

The debate has made it very clear that it is much more complicated to change the licensing laws than is generally realised. That is one reason why I want to emphasise that I shall not press the amendments in my name, but I shall take this opportunity to explain why I decided to table them.

Amendment No. 5 would insert the word "knowingly" in clause 1, thus making express knowledge a requirement of the selling offence. Licensing laws fail because they are so complex, and because it is difficult to bring prosecutions under them. The amendments probe the extent of the offence and how easily the prosecuting authorities can prove that a licensee or purchaser has committed an offence.

Some of the amendments that I wish to speak to in the first group relate to amendments in the second group. I make no complaint about the grouping of the amendments, Mr. Deputy Speaker, because I know that it is difficult to group amendments in a way that always puts together the ones that should be together. However, I will have to make some further points when we reach the second group of amendments.

The amendments in the first group appear to be contradictory. Some appear to make the offence harder to prove, while others appear to make it easier to prove. Would express knowledge in the selling offence help or hinder in terms of getting more prosecutions? Would having an absolute offence, with defences, make it easier for prosecutions to be successful, or would having an absolute offence and no defence, while requiring express knowledge, make it easier? My amendments explore what the licensee should be required to know for a prosecution to go ahead. One of the important issues is how easy it is to prosecute and how successful prosecutions are.

12 noon

Mr. Fabricant: Is the word "knowingly" necessary? Is it not the case that in English law, one must have a guilty mind—mens rea? To be guilty, one must knowingly commit an offence, so "knowingly" would be tautologous in this instance.

Maria Eagle: There are some offences in which mens rea as well as actus reus are required, and there are other offences of strict liability in which only actus reus is required. That is the basic legal position—I remember some of my legal training, even though I no longer practice law.

To include the word "knowingly" in the selling offence restores the position that applied before 1988. The Licensing Act 1988 removed "knowingly" from the selling offence. The House should consider whether the legislation was successful in its aim of making it easier to prosecute. Including "knowingly" requires express knowledge by the licensee. It is quite a hard test to meet. To prosecute successfully, the prosecuting authorities would have to be able to show that the licensee had express knowledge—not that he suspected, or did not check—and that it was in his mind when he made the sale that the person to whom he was selling alcohol was under age.

I have checked with the police in my area about this, and I shall come on to their views soon. The right hon. Member for Penrith and The Border (Mr. Maclean) will remember the Licensing Act 1988, as he was active in Home Office affairs at the time. The purpose of removing "knowingly" from the offence of selling, according to the right hon. and learned Member for Sleaford and North

Hykeham (Mr. Hogg), who was the Minister in charge of the legislation and proposed the amendment, was to try to make it easier to prosecute the offence. The right hon. and learned Gentleman said:—

> The main change that we propose is to delete the requirement of "knowingly" from the first limb of the offence—

the selling offence. He went on:

> The justification for making that change is that it is too difficult to prove, in the context of that offence, that the person had the required knowledge.—[*Official Report*, 3 February 1988; Vol. 126, c. 1005.]

That was why "knowingly" was removed. The right hon. and learned Gentleman said that that would put more of an onus on the licensee and make it easier to prosecute him if he sold alcohol to someone under 18.

As a counterbalance to that additional burden on the licensee, some defences were added to the legislation. If the licensee could show that he had exercised all due diligence before making the sale, that was a defence. If he could show that he had no reason to suspect that the person to whom he sold alcohol was under 18, that would also constitute a defence.

Mr. Fabricant: The hon. Lady will be aware that the licensing trade is introducing voluntary identity cards. Would not her amendment detract from that useful initiative?

Maria Eagle: There are amendments on the Order Paper about proof of age. I am well aware of the Portman Group's identity card, which appears to be very successful, from what I have read. It seems to have been taken up quite widely by young people, although it is voluntary, and by licensees. Of course, most licensing justices have codes of practice and they encourage people who apply for licences to consider various proof-of-age schemes. If my memory is correct, the White Paper "Time For Reform: Proposals for the modernisation of our licensing laws" refers to proof-of-age schemes, which the Government probably think are a good idea. Perhaps schemes should be not voluntary, but statutory, requiring that a licensee must make inquiries about a person's age.

Amendments Nos. 6 and 7, in the next group, would, unfortunately, insert defences. My amendments would restore the 1964 position. The research paper on the Bill produced by the Library contains, on page 16, section E, statistics on prosecution. The black line showing successful prosecutions rises sharply after the passage of the Licensing Act 1988, but has declined precipitously since. The right hon. and learned Member for Sleaford and North Hykeham said that changing the selling offence should make prosecution easier, but it seems that there was a blip, since when successful prosecutions have plummeted. Is that because the right hon. and learned Gentleman's intention to make prosecution easier was not achieved?

My amendment is intended to provoke the House to consider whether putting the onus on the licensee is the right balance. The Bill sets out several separate offences: sale of intoxicating liquor to a person under 18; allowing sale; purchase; consumption; delivery; and sending a person under 18 to obtain. In a more comprehensive scheme—I do not want to import such a scheme entirely into my hon. Friend's Bill—it might be appropriate to have different tests that the licensee would have to employ or levels of proof that the person charged would have to satisfy. Perhaps we should consider the guidelines and principles required for such requirements, and the amendments are intended to provoke discussion about that.

In some cases, there is a personal responsibility. In the selling offence, the person charged is the licensee who sold the drink. Perhaps the standard expected of such a person should be higher than that for someone charged with allowing someone else to sell, or where selling has happened in his premises while he was not keeping a sufficiently careful eye on it. There could be different requirements for different offences. The highest standard expected of the licensee should apply where he himself sells and is able to influence the outcome of the selling. But it may be sensible to provide a lower standard to make it easier to prosecute the licensee where the offence is more directly his.

On offences such as those in proposed in new section 169C, which relate to purchasing by persons under 18, the licensee could be fooled, and it may be more sensible to include the word "knowingly" so that it becomes more difficult for the licensee to be successfully prosecuted. Additional safeguards could be included, requiring, for example, that the licensee actively seeks proof of age and satisfies himself about it. The fear is that an indifferent landlord might get away without being prosecuted.

Mr. Fabricant: The hon. Lady raises an interesting point. Let us suppose that an obviously young person ordered a drink in a bar and had an identity card fallaciously showing him or her to be over 18. Does she think that, despite the fact that the identity card was forged, the barman or the person selling the drink could be successfully prosecuted under the measure, without the inclusion of the word "knowingly"?

Maria Eagle: There are two ways to protect that person. I agree with the hon. Gentleman that the licensee should be protected in such cases and that one should concentrate more on the person who fraudulently claimed to be over 18 in order to purchase alcohol. One way is to require express knowledge, although there are circumstances in which that would allow culpable people off the hook.

The second way would be to remove "knowingly", but to include defences that would cover cases such as those outlined by the hon. Gentleman. Indeed, amendment No. 9 was intended to be helpful in that respect. It would introduce the word "recklessly", which would apply to the allowing offence. It may assist our discussions if I say a little about the meaning of recklessness.

There are two definitions of the word as it is generally understood in common law—a subjective one and an objective one. They are known as the Cunningham and the Caldwell definitions. Cunningham recklessness is the subjective type. It requires that whoever is accused of recklessness must

> be shown to have foreseen that the particular kind of harm might be done, and has nevertheless gone ahead

and committed, or not committed, the act that has led to the risk being taken. The Caldwell definition is the more objective one. Under that, the accused person has not thought about the action at all, and has done something that an ordinary person, with any common sense, could

[Maria Eagle]

foresee would result in danger from recklessness. To use that concept of recklessness would be a halfway house between nothing and "knowingly". The inclusion of that concept would aid the prosecution of some offences.

We must consider where it is most appropriate to include that provision. If "knowingly" is thought to be too much of a barrier to prosecution—for example, in the selling or the allowing offences—"recklessness" could be inserted instead, as a halfway house. Thus, if there is evidence that the licensee was recklessly indifferent—that he knew his obligations but did not carry them out, because he was unsure whether the person was under 18—he could be prosecuted.

The insertion of the word "recklessness" in the offence may be helpful; it might do what the right hon. and learned Member for Sleaford and North Hykeham was trying to do in 1988, when he removed "knowingly" from the selling offence and inserted some defences in the hope that that would lead to more prosecutions and convictions. Perhaps we need to ratchet that down a little by introducing the concept of recklessness. I should be interested to know whether my hon. Friend the Minister is considering that concept as an aid to ensuring more prosecutions, as part of the general review occasioned by the White Paper.

Mr. Fabricant: The hon. Lady's argument is most persuasive. It reminds me of the concept in English law—indeed, in Talmudic law—of duty of care. Is not that the point? It puts the onus on the seller to have a duty of care towards the person to whom he or she is selling.

Maria Eagle: The hon. Gentleman seems to be introducing civil law to a discussion on criminal law—

Mr. Fabricant: I was thinking of the Talmudic sense.

Maria Eagle: I regret that my legal and religious studies did not extend to Talmudic law. Legally, duty of care is more of a civil issue in respect of negligence, so my view remains that "recklessness" is the appropriate word.

When we consider changing the licensing laws to make them more effective and to ensure that we prevent under-age drinking, it is also important to consider what will work. There is no point in having complex or even simple offences that can be easily understood and defined if the practical effect is that prosecutions are difficult and the deterrent effect, which successful prosecutions represent, does not come into force.

12.15 pm

It is interesting to examine what has happened since the last major change was made to the licensing laws. Page 16 of the Library research paper contains licensing and prosecution statistics. They show that the general trend is a decline in the number of prosecutions and convictions and a fairly steady trend for the number of licences in force. The number of licences has gone up and down slightly, but the trend is fairly steady. However, the number of convictions secured against people for selling alcohol to under-age drinkers has plummeted, even though the number has just begun gently to climb back up.

The most important thing that we can do, in redefining the offences, is to simplify them and make them more effective. That requires that they work, so that prosecutions are successful when they are mounted. I assume, of course, that prosecutions are not undertaken unless the prosecuting authorities believe that they can secure a conviction. For the graph to show that the number of convictions has fallen so far suggests that there is a problem with the definition of the offences.

The graph suggests that there might be a problem with the enforcing authorities and that they might be taking too lax a view of under-age drinking. To investigate that possibility when I was considering whether my amendments would be helpful, I contacted a sergeant in the licensing section of Merseyside police and asked him about his experience. He told me that some requirements of the law on express knowledge are so complex that they do not just prevent successful prosecutions, but prevent prosecutions from being mounted at all. Therefore, other sanctions, such as warnings, tend to be used. If someone has a record of breaches of the licensing law, a revocation of his licence may be pursued. However, prosecutions are low on the list of sanctions because it is difficult to mount them successfully.

The figures in the Library research paper suggest that that problem is widespread and that it is not found only in the area covered by the licensing justices in south Liverpool. That is because the requirement to identify express knowledge is such a high hurdle that people no longer attempt to do it. The introduction of the concept of recklessness may assist and do everyone a service by ensuring that more prosecutions are mounted and that, when they are, more of them are successful. That can only act as a deterrent to irresponsible licence holders.

Later, we shall deal with the problems that do not arise from licence holders themselves, but it is important that my hon. Friend the Member for Pudsey felt confident that the proxy purchase provisions, which were in last year's Licensing (Young Persons) Bill, would achieve a consensus in the House. Therefore, he felt able to reintroduce them in Committee given that they were not in this Bill as originally drafted. He is attempting to deal with the loophole that has been brought to his attention, and he has done everyone a service by introducing the proxy purchase provisions. It is important that those provisions are included in the Bill if licensing law is to be improved and simplified.

We must consider the position of prosecuting authorities and police officers on the ground, and how practicable it will be to mount prosecutions. I do not intend to press my amendments, but I hope that they will provoke in the Minister's mind—if not in anyone else's—thoughts about how to proceed. The key point is to ensure that people can be charged with offences that they have committed and prosecutions can be brought successfully without barriers being too high.

We shall consider defences against prosecution when we debate the second group of amendments, and discuss whether due diligence and express knowledge are important and whether the licence holder can show that he has no reason to believe that a young person is not over 18. However, we must get the balance right because simplifying the law will not work if securing convictions is not possible or practicable.

We shall discuss raising the number of convictions when we come to debate the third group of amendments. Statistics show clearly that under-age drinking is a serious problem, although loopholes in the law on that are being addressed. Nevertheless, the number of convictions is too low. Only when we get across to licence holders and those responsible for selling and delivering alcohol the seriousness with which Parliament and society view such problems will we be able to make a real impact on the number of offences and, at last, reduce them significantly. Only when that happens will the problem of under-age drinking be seriously tackled. I have made my point on the present group of amendments, so I shall not detain the House further.

Mr. Maclean: All the amendments are important, but those in this large group are especially significant, as they contain some key elements. It is therefore right that the House has spent a considerable period discussing the group. We should be able to complete our consideration of the Bill within the allocated time today, allowing it to proceed to its next stage. However, I do not believe that we should curtail unduly our comments on the many amendments in this group.

I pay tribute to the hon. Member for Pudsey (Mr. Truswell) for getting the Bill this far and for the changes that he has made. I believe that he has looked at previous legislation on the matter. On that point, I am grateful for the kind words of the hon. Member for Liverpool, Garston (Maria Eagle) who recited the history of some of last year's private Members' Bills and told us what happened to them. My right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) and I played a part in discussing those Bills which, for various reasons, did not proceed further.

The hon. Member for Pudsey has had the wisdom to limit the scope of his Bill, which is still complex and amends section 169 of the Licensing Act 1964. He has not attempted to do too much by including in the Bill test purchasing, which we may discuss in a few minutes. However, the Bill is reasonable and its subject matter is entirely appropriate for a private Member's Bill. Of course, it cannot deal with the case of David Knowles, but it can help to prevent such tragedies in future.

I congratulate the hon. Member for Pudsey on getting this far and wish him all success for the remaining stages. I echo the sentiments of my right hon. and erudite Friend in suggesting that, as far as possible, we make all necessary amendments in this Chamber. Given the backlog of legislation that might be accumulating in another place, attempting to table amendments there and to get the Bill back here on time might be too tall an order. No doubt, Government business managers know better than I do, but it might be safer to make any amendments in this place because we might run out of time.

I listened with fascination to the excellent speech of the hon. Member for Garston. It is always refreshing to listen to someone who knows their legal subject and who is able to cast some light on some of my concerns. The word "knowingly" does not feature in proposed new section 169A, but it is included in sections 169B and others. Why is there a different emphasis?

I must confess that I did not do the research that the hon. Member for Garston conducted, and therefore did not discover that my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) and the previous Conservative Government removed the word "knowingly" in the hope that it would make prosecution easier. I listened also with fascination to the statistics that the hon. Lady quoted. Removal of the word "knowingly" might not have made the dramatic difference that my right hon. and learned Friend had hoped for in 1988.

New sections 169A, 169B, 169C, 169D, 169E, 169F and so on, attempt to deal with quite different problems: who sells the liquor; who buys it; the manager-type person who allows the sale; who sends someone to buy alcohol for someone who is under age; and delivery. There are many different areas and perhaps there should be different penalties and standards of proof.

The law always comes down more heavily on the licensee—the seller. I am one of those who believe that the law should come down more heavily on the person who initiates the criminal offence by buying the alcohol. The under-age person who deliberately sets out to buy alcohol is committing the greater moral wrong and a greater crime than the person who knowingly, unwittingly or without due diligence sells it.

That might be an odd view; it is not generally accepted and I perfectly understand why it is much easier to prosecute the licensee. It is much easier to penalise that person because he or she has more to lose, can usually afford to pay higher penalties and is easier to catch. I merely flag up the point that, if we are to tackle alcohol abuse, although we must of course clobber people—whether they work in supermarkets, off-licences, pubs, bars or other facilities, whatever they may be—who carelessly, negligently or deliberately break the law by selling alcohol to young people, with potentially disastrous consequences, as we have seen, we must not at the same time sit back as legislators and say, "We have clobbered the sellers and plugged every possible loophole in the sale, delivery and supply of alcohol, let us congratulate ourselves and not target potential under-age buyers." We must target them even more so—not necessarily with the full panoply of the criminal law, but through more education programmes and advice and, yes, if necessary, the criminal law. Such people are equally, if not more, guilty than the person who sells.

I was going to pose a range of questions to the Minister to justify inserting the word "knowingly" into line 9, but having heard the exposition of the hon. Member for Garston, I do not need to do so at nearly such great length. However, I would like the Minister to tell me whether he thinks that reinserting "knowingly" into the new section 169A offence and thus restoring the pre-1988 position would constitute an improvement. Would it lead to more convictions and, if it were done, would it be preferable to drop some of the defences mounted in new subsections (2) and (3)?

12.30 pm

My next question is why we are not to drop "knowingly" from new section 169B. That appears to be inconsistent. I do not challenge the order of selection, but it has to be said that it forces us to wrestle with widely varying concepts. It is not fair to ask the Minister why the previous Government, of which I was a member, maintained the word "knowingly" in the section 169B offence, while it was apparently legitimate in 1988 to omit

[Mr. Maclean]

"knowingly" from the section 169A offence. Perhaps it is more appropriate to ask him why the current Government think that "knowingly" should be maintained—if, indeed, that is their policy. If the Minister intends to reject the amendments to remove the word "knowingly" from new sections 169B and 169F, what is the justification for that, given that the Government may choose not to reinsert it in new section 169A? That appears to impose a far heavier burden of proof.

Mr. Heald: Might the answer to that question be found in a contractual interpretation of the relationship, if there is one, between the person selling and the person permitting the sale of intoxicating liquor to a person under 18? Would it not be wrong to say that the latter is guilty of an offence, just because there is an employer-employee contractual relationship? Surely, the mischief only occurs if it is done "knowingly"?

Mr. Maclean: I take my hon. Friend's point. In the legislative process, it is always helpful to have a certain number of lawyers present, and his presence on the Opposition Front Bench, with that of the hon. Member for Garston on the Government Benches, gives welcome aid to our deliberations.

As I said, I originally had much to say about the word "knowingly", but the hon. Lady's speech has enabled me to curtail my remarks. I am conscious that other hon. Members want to contribute and that we all want progress to be made. However, I want to comment on the amendments that would add to new section 169A(1) the words "from" or "through", after "in", with the result that it would read:

"A person shall be guilty of an offence if, in licensed premises—

or "from" licensed premises, or "through" licensed premises—

he sells intoxicating liquor to a person under eighteen.

I am not sure which of the two words suggested is the best, but I approve of the concept behind both. I would be persuaded not to support them—I hasten to say that I do not want to force any Divisions today, lest that disturb the relationship that the hon. Member for Pudsey has carefully built up with both sides of the House and with Ministers to ensure smooth passage for his legislation—only if the Minister said that the amendments were absolutely unnecessary, because the phrase "in licensed premises" does not mean strictly within the four walls of such premises, but can encompass, conceptually or legally, liquor being sold from licensed premises, or through the medium of licensed premises.

That brings me to the important subject of internet sales. I have tried internet sales for intoxicating liquor, or rather, wine. If one admits to purchasing intoxicating liquor, some strict Presbyterian constituent may write and complain about a Member of Parliament touching such filthy stuff. I was merely referring to wine, which of course still is intoxicating liquor, but does not sound as bad.

Internet sales seem to work reasonably well, and one gets delivery promptly, at the time that one specifies. I am sorry that my hon. Friend the Member for Lichfield (Mr. Fabricant) is no longer in his place. Only last week, I tried out Waitrose.com and, with a bit of luck, there will be a delivery through our new incoming mail, courier and parcel service, which the Department of the Serjeant at Arms has set up. I may get a delivery to my office fridge any day now.

There is a whole new medium for selling intoxicating liquor. I come back to my earlier intervention: we are amending the Licensing Act 1964. In 1964, the mediums for selling intoxicating liquor were off-licences—whether on tick in West Kilbride or not—or pubs. I am not sure whether any supermarket had a licence to sell liquor then, but I suspect not. I do not recall, and I cannot find in the Library paper, a reference to the first time that a supermarket could sell intoxicating liquor. That may have been in the 1960s, but it is more likely that that boom occurred in the 1970s.

It is understandable, therefore, that when Home Office officials briefed the parliamentary draftsmen in 1964 to deal with the problem and amend previous legislation, they thought about the ways in which liquor could get into the hands of young people. They could go to a pub and get it; they could go to an off-licence and get it. Consequently, the law was drafted to deal with the people who would sell liquor from a pub or from an off-licence, and the people who would go in and buy it from a pub or an off-licence.

Now we have telephone ordering and fax facilities, but internet ordering in particular offers a new outlet and delivery mechanism. People no longer need physically enter a licensed premises. Alcohol can be delivered by a organisation that presumably has a licence to sell and distribute liquor. I assume that Waitrose.com, Tesco.com or other .co.uk firms such as Safeway, all the other supermarket chains and Bordeaux Direct have a warehouse somewhere which is licensed to supply. I am not sure under which part of the Act, or what the mechanism is, and it may not technically be licensed premises, but the company will have a licence to distribute intoxicating liquor to individuals in their homes.

Section 169 does not on the face of it deal with those possibilities. It refers to a person being guilty of an offence "in licensed premises". We need reassurance from the Minister about the applicability of the provisions of the 1964 Act to internet and e-mail sales and whether there are provisions elsewhere.

Mr. Phil Woolas (Oldham, East and Saddleworth): In the right hon. Gentleman's experience of ordering wine by e-mail from supermarkets, wine clubs and so on, which is now a widespread practice, have there been any checks on his age? Did that feature in the transaction?

Mr. Maclean: None at all. There may be a box on the web page to tick if one is under 18. In one case, there was a warning that the company did not sell to anyone under 18.

I do not have children, but I know people with children who are 15 and older. Once Dad or Mum's credit card is registered with Safeway or Tesco, anyone in the household can use it to order items from the internet. One hears of cases—not cases of the 12-bottle kind—of parents discovering that their offspring, aged 15, 16, 17 or 18, have ordered items from the web. Nothing on the wine suppliers' web pages prevents young people from ordering alcohol. Suppliers are interested only in the

credit card number. There is no way of checking up, and suppliers can depend only on the honesty of the person who claims to be over 18.

Mr. Gardiner: The primary check is the credit card, as cards they are not available to someone who is not yet 18. However, the right hon. Gentleman is correct to say that, if someone who is under 18 fraudulently claims to be the owner of a credit card, any number of boxes to tick will make no difference because the initial fraud is impersonation of a credit card holder.

Mr. Maclean: I accept that point. A company that supplies wine or any intoxicating liquor, ordered through the internet with a credit card is probably entitled to rely on the customer's honesty about age. It could probably use the defence that it had no reason to suspect that the customer was under 18. When asked why, a company could say, "A credit card was used, therefore the customer had to be over 18, my lord."

In the real world, many parents who are satisfied with the honesty and integrity of their 17 or 16-year-olds will happily trust them to order items. *[Interruption.]* Wise parents opposite say that they would never do that. However, families will order drinks for a party or for Christmas. Children are experts in technology and the web. Their parents may not be such experts, and they may ask the children to get onto the Tesco website and order a bottle of this and a case of that. The children may ask, "Can I have your credit card number, Dad?" He may reply, "Here it is. Don't use it again without my permission." That is use with parental consent.

There will be other cases. If colleagues have ordered anything from the internet, they will know that computer-literate children can look up the history page, go into "favourites", or look at the registration details and pick up the credit card number. They can thus order anything without parental consent. They must of course face parental wrath, however administered.

The legal point is that the Bill is not designed around the new technology and the new possibilities, which are not fanciful. It is invidious to cite a supermarket from which I rarely shop, Tesco, and thus give it an unnecessary advantage, but it boasted a couple of weeks ago that it would create 10,000 new jobs because of its internet sales. A large part of its internet sales is alcohol. The internet is the big growth industry. It is therefore reasonable to assume from all the forecasts for web sales that, in two or three years, most alcohol will change hands, from whichever source, through the internet.

Some hon. Members and I have asked whether various clauses are internet proof. We have discussed proposed new section 169F, which covers delivery. There may be a loophole there because subsection (4) does not apply

> where the delivery is made at the residence or working place of the purchaser.

12.45 pm

Mr. Fabian Hamilton (Leeds, North–East): I do not know how often the right hon. Gentleman has ordered goods on the internet, although he mentioned ordering from Waitrose.com. We in Leeds cannot do that as we have no Waitrose. However, there are many other such suppliers. Does the right hon. Gentleman acknowledge that credit or debit card details on the internet are registered in a secure form with the web page through a password? That offers some protection against a 15-year-old clicking on to the website's history page, finding out the password, logging in and extracting credit card details. If an under-age drinker has the card in his or her hand that is different, but card details, once registered, are usually released by using the password. So long as people keep their password to themselves, they should be secure.

Mr. Maclean: The hon. Gentleman is absolutely right, but, given the huge growth of online supermarket shopping, it is not unreasonable to think that many households will carry out the boring task of grocery shopping over the internet, even though that is not a fast way to shop. It is sometimes quicker to whiz around the supermarket than to access the registers of all the different household goods that people want. Members with children aged 12 and upwards will be better able to comment than I am, but is it not likely that parents will say to their children, "Get on with it and order the groceries. Here's the list of the stuff that we need. Here is my password; order the toilet rolls and the bleach"? Those children might spend two hours ordering the basic essentials.

That is not a fanciful scenario; it will happen more and more. Internet shopping may be exciting the first couple of times, but it can become pretty boring if people have to order dozens of items. In such circumstances, youngsters will have ready access to the internet because parents will give it to them. Most children will not abuse that access by ordering a crate of booze on their parents' credit card, but I suspect that we shall have to return to the measure in a couple of years because developments on the internet and with delivery mechanisms and the little matters that we do not spot today will create loopholes. We are trying to amend the 1964 Act, which contained no concept of internet shopping or ordering by telephone. Clever criminals will exploit that, but it is more likely that clever youngsters with changing life styles and attitudes will create problems, which the House will have to solve. I shall now move on from that point because we have flagged it up enough.

I am tempted by amendment No. 26, under which the word "person" would be replaced with the term "an employee or agent", because it deals with the problem in the tragic David Knowles case of 1997. The word "person" has been used for the person who is under 18—the potential buyer—and the person who may be selling. We do not want to use the word "licensee", because doing so was the problem: it was far too restrictive and we wanted it to cover the manager, the shop owner and the part-time salesperson. However, I am unsure whether replacing the highly restrictive term "licensee", which has a specific legal meaning, with "person" would go too far and be too vague. We want to catch the licensee and his employees and his agents—the staff. That is the problem, is it not? I am not sure whether the use of the terminology "any person" is the right approach. I am tempted to

[Mr. Maclean]

support, at least in spirit, amendments tabled by Labour Members that delete the word "person" and insert "employee or agent".

Mr. Gardiner: I see the right hon. Gentleman's point, but he will be conscious of the fact that the loophole that the Bill seeks to address came about from wording that referred to

the licensee and his servants.

Trends in the sale of liquor have developed since then. In 1964 when the original Bill was drafted, it was not predicted that people would be employed by company chains and would not be servants of the licensee. In 20 or 30 years' time, there may be further developments, and a restricted wording such as the right hon. Gentleman proposes would no longer be appropriate and a loophole would arise similar to the one that we are now trying to plug.

Mr. Maclean: I take the hon. Gentleman's point. It is always wise never to assume that we are passing legislation that is loophole free and will last a lifetime—or more than one Parliament. No Government like to admit that they may have to return to their legislation in a few years' time, whether it is on dangerous dogs or anything else. We stand here, especially on Fridays as we discuss Third Readings, and say that we have passed perfect legislation that will ensure that a problem never happens again.

In a fast-moving, technological world with e-commerce, with rapidly changing attitudes and with young people becoming more and more sophisticated, the wise course is to say that we are passing legislation that probably deals with every problem that we can envisage at the moment, but next year we may have to reconsider it to deal with another matter. That is no slight on the promoter of the Bill or the Government. It is a recognition of how fast things are moving in today's world.

Mr. Efford: Can the right hon. Gentleman help me? What is the definition of "agent"? Would a computer be defined as an agent of someone selling alcohol?

Mr. Maclean: I honestly do not know, but a computer would certainly not be defined as a person, so that could be a loophole. A computer would have a better chance of being defined as an agent than as a person. We either use the word "person" and do not define it, or we include in the Bill references to "employee", "agent", "servant" and "licensee". That could be messy and may miss out a category of person who is employed or may next year be employed, such as internet salesgirls. We could use the term "person" and provide that "persons" shall include employees, agents, computer technology, virtual reality purchasing systems or whatever. Labour Members have tabled an amendment to delete the word "person" and have suggested the term "employee" or "agent", and we must have the Minister's reassurance on the matter.

I am conscious that the hon. Member for Dumfries (Mr. Brown) and some of my hon. Friends have been trying to catch your eye, Mr. Deputy Speaker, and we want details from the Minister before we move on to the next group of amendments, so I shall conclude my remarks on amendment No. 53. I was going to talk about the term "or similar facility", which my right hon. Friend the Member for Bromley and Chislehurst has suggested, but that has been discussed enough for the Minister to respond.

I am not sure that we should accept amendment No. 53, which would apply the same licensing laws or the same general body of law to the House of Commons or the Palace of Westminster as apply to other organisations. The Bill mainly applies to off-licences and bars. There may be quite a few Bars in this place, and I suppose that our shop may be considered an off-licence, but it is not the primary purpose of this legislature to sell alcohol, especially to children, or to conduct the commercial activities that are the primary purposes covered by new section 169.

It is perfectly right to say that we will not apply licensing legislation carte blanche to the Palace of Westminster. How do we deal with the valid point raised by the hon. Member for Garston who said that we should set an example? If we pass a Bill saying that people outside this Palace should not buy liquor for those under 18, or should not commit any of the offences laid down here, what do we do to set an example? If we are minded to act in that respect and we want to apply the same precepts of criminal law inside this Palace, I suggest that we simply amend our internal rules. We do not have to apply every jot and tittle of every Act of Parliament.

I am sure that we could condense the proposals of the Bill into one clause in parliamentary terms. The Bill must be complex because there will be licensees and sellers with clever lawyers who will try to get around the law. The purpose of making the Bill complex is to avoid loopholes. We should not need complex laws applying to conduct in the House of Commons.

Behind the Chair, in the Corridor, is a notice which—wrongly, in my opinion—forbids us from having a cigarette. When one is tense in the Chamber, one can no longer go out for a quick fag to calm one's nerves. I do not smoke cigarettes myself, but I respect the right of others to do so. I have not seen anyone break that law in the Corridor, the Library or anywhere else where the anti-smoking noose is tightening around the poor souls who need a fag now and again. However, we do not need a huge Act of Parliament for that—there is simply a notice, by order of the Serjeant at Arms, forbidding smoking here, there and everywhere else. People obey; if they do not, the House applies its own sanctions.

Mr. Gardiner: The right hon. Gentleman talks about the regulations governing conduct in this House, which do not go to the heart of parliamentary privilege. Amendment No. 53 concerns parliamentary privilege because the licensing laws as they stand do not apply to royal palaces or to the House of Commons and House of Lords. It is not a question of having a large Bill to remedy that. It is not a complex process; it is simply a matter of implementing an extremely simple amendment to the Bill, so that the whole of the Bill applies to the House of Commons in the same way as it does outside.

Mr. Maclean: The hon. Gentleman is wrong in principle. We should maintain parliamentary privilege in the House of Commons, as well as the exemptions for this place as a royal palace—not for any misguided sense of

history, but because it sets a better example. We can say that we are applying the same law internally, but that we do not need all the chapters of the law to do so.

I have always worked under the assumption that Members are not breaking the licensing rules internally. I am happy to be corrected, but I would not imagine that any hon. Member or member of staff was breaking the licensing rules. I suspect that no bar man or woman in the House of Commons would knowingly break the rules either, although if a Member of Parliament asked for a lager and lime for his 12-year-old, I suspect the bar man would feel duty-bound to serve the Member of Parliament. The Member would have the right to demand the drink, and should take the blame.

1 pm

If there are rules that should apply to the House of Commons, we should apply them through our own internal procedures while maintaining the right not to apply statute law. The same goes for the health and safety rules. We should move as expeditiously as we can to having all the same health and safety requirements as everyone else—as far as we possibly can in an 1854 building. I suspect that the new building will comply with the Offices, Shops and Railway Premises Act 1963.

If we directly applied every aspect of that Act in this old building, we would be able to fit only about 10 people into the offices here. Much of our accommodation is far too cramped to accord with that law, but it is perfectly acceptable to us. I use this merely as an example to illustrate the point about regulations applying to the House of Commons. I do not want to get sidetracked too far from licensing and amendment No. 53 on to health and safety.

We should attempt to comply with the spirit of the provisions, without having to incorporate the whole body of the law or apply it to us. If we go down the route of removing the privilege of the House of Commons and the other place, it is a small step to removing other privileges, including the right to free speech.

Mr. Gardiner: I entirely agree that there is no question of hon. Members intentionally trying to procure intoxicating liquor for minors, but let me paint a scenario in which a Member of Parliament has an intern, researcher or secretary who is under 18. That young person could visit any of the Bars and buy alcoholic liquor, and there would be no redress whatever against the person who sells the liquor. If the amendment were made, redress would be available. Without in any way impugning—

Mr. Deputy Speaker (Mr. Michael Lord): Order. I am afraid that the hon. Gentleman is painting a very lengthy scenario.

Mr. Maclean: We can have the redress if we want it, through our own internal rules and procedures. The hon. Gentleman cannot lift the relevant sections of the 1964 Act and say that the law applies to the House of Commons, because we would then have to accept the whole of that Act. We would have to apply to licensing magistrates and would create a whole new bureaucracy, with an appeal system and everything else that is in the 1964 Act, a copy of which I have here.

We have spent a considerable time discussing section 169, which is very important, but if we make it apply to the House of Commons, we may have to take the Act lock, stock and barrel. We would have to have the name of the Serjeant at Arms—or perhaps your name, Mr. Deputy Speaker—painted above the door. We do not want to have to paint "Serjeant at Arms licensed to sell intoxicating liquor" above the door of the Pugin Room, but the Act requires the licensee's name and address to be painted above the door of the premises.

If we want to set an example or to apply parts of the Act in spirit or in reality, the solution is to make a resolution and tell the Serjeant at Arms that we want to apply section 169 and ensure that people cannot buy alcohol for under-age children—the children of Members of Parliament or of their constituents. We can put up a notice and apply sanctions on a host of matters.

I hope that an internal rule banning mobile phones from the Pugin Room is brought in soon. Their use in that place is, in my view, a criminal offence worthy of five years in the Tower of London, but the Minister knows that I have strong views on criminal sanctions.

However, we can apply a host of regulations to both Houses of Parliament that are not elements of the criminal law. For instance, it is not an offence to smoke in most corridors in the country, but to do so in some of the Corridors here is against our internal rules. That is how it should be—the House must be able to regulate itself and set an example, but we must be careful not to erode the important principles of parliamentary privilege by unnecessarily applying sections of criminal law to the House of Commons.

Mr. Russell Brown: The House no doubt awaits with bated breath the private Members' Bill that the right hon. Member for Penrith and The Border (Mr. Maclean) will introduce to ban mobile phones from the Pugin Room. I congratulate my hon. Friend the Member for Pudsey (Mr. Truswell) on getting his Bill this far. I hope that it leaves the House of Commons at the end of the debate and moves on to the other place.

I shall speak to the amendments in this group tabled in my name and in the name of my hon. Friend the Member for Kilmarnock and Loudoun (Mr. Browne). However, in case any hon. Member is not aware of the fact, I point out that clause 3(3) states:

> This Act does not extend to Scotland or Northern Ireland.

That point was emphasised on Second Reading by my hon. Friend the Member for Dundee, West (Mr. Ross)

My hon. Friend the Member for Liverpool, Garston (Maria Eagle) argued, in connection with amendment No. 5, for the insertion of the word "knowingly" in proposed new section 169A(1) of the Licensing Act 1964, but amendment No. 15 would delete the same word from proposed new section 169B of that Act. The Licensing (Scotland) Act 1976 has served the people of Scotland well for a quarter of a century. It is important to look at that legislation and to learn what lessons we can from it. The word "knowingly", as proposed in clause 1, is not used in the equivalent section of the 1976 Act.

It has to be said that is almost impossible to gain a conviction under the licensing laws as they stand, as the research paper referred to by my hon. Friend shows. If licensees, suppliers or providers make a genuine mistake about the age of a person, they should be protected.

[Mr. Russell Brown]

Amendments Nos. 16 and 77, which are in the next group to be considered, have been tabled, by me and by my hon. Friend the Member for Kilmarnock and Loudoun, to provide that protection.

I want to refer to the prosecution of a Mr. James Morrison Noble, a licensee who appeared in court on 23 November 1965. He was charged with knowingly permitting drunkenness on his premises. He pled not guilty to the charge. He was found guilty and liable, and fined £5. At his request, the magistrate stated that it was a case for the opinion of the High Court of Justiciary. I want to go through the following proceedings, because it demonstrates an aspect of "knowingly", which is so important.

The case went to the High Court before a Full Bench—the ultimate authority in Scotland. That was important in relation to the decision that was reached, bearing in mind that the appellant had been found guilty.

The case centred around an evening in September 1965 when the police approached the premises in question and discovered that the lights were still on at 11.20 pm. In those days, licensed premises closed at 10 o'clock. There was a certain amount of noise. When the police eventually gained access to the premises, they found a youth, Dennis Flynn, aged 18 years of age, lying on a bench unconscious, in a state of intoxication. Efforts to rouse the youth were unsuccessful. The officers then went downstairs to the lounge bar, where they found five men and three women. One of the men, James Spanivich, was staggering around the room, obviously under the influence of drink.

The officers searched the building further and found another three men and a woman in the manager's office. The appellant was not present at the time of the offence, but the manager, James Welch, was in sole charge at the time the police officers had entered the premises.

Apart from the two persons already mentioned, everyone else in the building was sober. I find it somewhat difficult to believe, when people have been locked into a pub for almost an hour and a half after it has closed, that only two people were intoxicated.

Mr. Woolas: In Scotland!

Mr. Brown: Yes, in Scotland.

When the case appeared before the Full Bench of the High Court, it was argued, and decided, that the appellant had not personally permitted the drunkenness and that he had no knowledge of it. The condition attached to his certificate was that he should not knowingly permit drunkenness in the premises licensed. The wording of the condition was plain and unambiguous, and knowledge on the part of the licensee was required before he could be found guilty of a contravention.

The case demonstrates that aspect of "knowingly". The licensee had appointed a manager who had done his best to ensure that the property was being run in a way that complied with the licence conditions. It is a difficult situation, which is why the amendment to remove "knowingly" from proposed new section 169B(1) is being considered.

Amendment No. 22 would insert "an employee or agent" instead of "some other person" in proposed new section 169A(3). It concerns licensees ensuring that their employees conduct the business in a proper manner. Assuming that the crime is committed at the hands of another, how can we determine what is "knowingly" going on in those premises?

1.15 pm

The successful employment of an agent to act on one's behalf relies on the manner in which people are instructed and trained. Employee management must be considered. There is a need for a defence so that a licensee can share the responsibility for what goes on within licensed premises. However, if the licensee is to be held responsible, he or she must ensure that his or her agent has the authority to conduct the business properly. Merely to specify some other person is wholly inappropriate. It is not the case that any old person can walk in off the street and serve alcohol from behind a bar or in an off-licence. We must be clearer about what person we mean. We are talking about an employee or an agent.

I do not wish to enter into debate about the other amendments. The points that my hon. Friend the Member for Kilmarnock and Loudoun and I have tried to include in the Bill have been addressed. I am keen to hear the Minister's response. We shall not press our amendments to a vote as they were intended to probe.

Mr. Heald: The Opposition made it clear from the outset and on Second Reading that we support the Bill, which closes a loophole. It had its genesis in the tragic circumstances of David Knowles, and I pay tribute to the hon. Member for Pudsey (Mr. Truswell) for his diligence in pursuing the matter. He has had the common sense to limit the ambit of his Bill to the loophole, rather than risking its passage, as many do, by including a wide range of controversial matters. I congratulate him and wish him well. My right hon. Friend the Member for Penrith and The Border (Mr. Maclean), an active student of Friday proceedings, also congratulated the hon. Gentleman on not taking too many risks with a good Bill that is a tribute to him.

The hon. Member for Brent, North (Mr. Gardiner) started our proceedings with a lengthy tour de force. I felt a little sorry for him when my hon. Friend the Member for Lichfield (Mr. Fabricant) presented him with the Wiener schnitzel conundrum, but he handled it remarkably well. Indeed, it seemed to embolden him into giving us a startling vision into his reasons for amendment No. 20, which inserts the word "from" at a crucial point. Under the amendment, a person would be guilty not only of selling liquor to under-18s in licensed premises, but from them. The hon. Gentleman conjured up the vision of a child, perhaps in West Kilbride, attending a public house with a bunch of roses and saying, "Please can granny have some Stella Artois from the back door?". Apparently, the whole building would have been covered in roses so that the child could receive two cans of the relevant brew. That was a startling vision.

Mr. Gardiner: The hon. Gentleman has conflated amendments Nos. 20 and 19. The Stella Artois amendment was No. 19, but I take his remarks in the spirit in which they are meant.

Mr. Heald: I am grateful to the hon. Gentleman. I am sorry that I got it wrong. That was partly because my hon. Friend the Member for Lichfield said it sounded like "Cider with Rosie".

Amendment No. 20 and the amendments proposed by my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), who suggested that the word "through" should be added, raise an important issue: are a substantial number of people buying from—or through—licensed premises, rather than in them? I shall be interested in the Minister's comments as to whether the amendment is necessary, because the drafting might already encompass it. If it does not, does he approve of the amendment? Is there any evidence that such purchases of alcohol are on the rise? The amendments are not objectionable to the Opposition.

The hon. Member for Liverpool, Garston (Maria Eagle) and other hon. Members referred to the "meant" element in such offences—whether the concept of recklessness should be included as well as that of knowledge, or whether, in an offence where a licensee sells alcohol to those under 18, the concept of "knowingly" should be introduced.

My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) introduced a change in the 1980s because it is a heavy task to prove that a landlord knows that a person is 18. That change was right and it should not be reversed. If it can be shown that an under-18-year-old purchased alcohol from a licensee or a person working at the premises, it is important that the burden should be on them to show both that there was no suspicion that the buyer was under the age of 18 and that they had taken steps to satisfy themselves on that point. It is right that that is where the burden should lie in cases involving direct sales.

The test is slightly different for other offences. If somebody is employed by a landlord or a company, that relationship means that the employer allows the employee to sell alcohol on those premises. Obviously, the contract would not state that alcohol could be sold to under-18s, but the offence needs to make it clear that the employer is acting knowingly in those circumstances. That is the mischief that the law should attempt to remedy. The current law is probably right, although I should be interested in the Minister's view.

My right hon. Friend the Member for Penrith and The Border suggested that rather more pressure should be put on the person purchasing, and that offences that affect the purchaser could be strengthened. Again, I should be interested to hear the Minister's view.

There was much discussion by my right hon. Friend and my hon. Friend the Member for Lichfield of e-issues—what my right hon. Friend the Member for Bromley and Chislehurst referred to as the e-thing. I think that they may have been referring to modern technology. I should be interested in the Minister's perspective on these matters. Perhaps he buys his wine from Waitrose Wine Direct, just as my right hon. Friend the Member for Penrith and The Border does. The Opposition have drawn no conclusions as to whether amendments are definitely needed, but, if they are, we should be supportive.

A range of other issues were aired. They included whether we should define the seller by reference to an employee or agent. I think that such a proposal would create more problems than it would solve. The Bill has reached the point where it defines a person as the potential defendant, so to return to definitions of "employee" and "agency", which are complicated from a legal point of view, would probably create an unnecessary difficulty. We do not want that to happen.

I am doubtful about the concept of reckless indifference, which appeared in an amendment tabled by the hon. Member for Garston. There must be some doubt about what amendment No. 59, tabled by my right hon. Friend the Member for Bromley and Chislehurst, and the term "similar facility" mean. We all know what a bar is and, if we do not, it is defined in the licence that a licensee holds. However, the concept of a "similar facility" could keep lawyers busy and in gainful employment for many a year.

Amendment No. 59 would also create difficulties in terms of pub gardens. It is suggested that one could be guilty if one bought alcohol for consumption in a bar or similar facility, which could include a pub garden. In the summer, many families go to pub gardens where there is play equipment. It can be a pleasant afternoon out. If the parents want sensibly to give a taste of wine or another drink to a child, that is not a terrible act on which the law should bear down. In fact, it is responsible to teach moderate alcohol consumption to children. It would be a mistake to constrain such behaviour in the way that the amendment would do. I do not want the law on that to be changed without the fullest consultation with the industry and the other groups that have been consulted in the past. I am not willing to support the amendment today.

The only other issue that I want to mention briefly is the Scottish experience. The hon. Member for Brent, North was right to refer to that, but I am not sure that the example he gave relates to the provision to which he referred. He gave an example of a different kind. Although the Scottish experience is always useful to consider, it did not take us much further in this case.

Mr. Fabricant: My hon. Friend will know that the Bill does not apply to Scotland or to Northern Ireland. Does he suppose that that is because existing legislation in Scotland already covers this subject or because of the Scots' innate ability to accept drink more readily than the English?

Mr. Heald: I would never say anything disparaging about the Scots. Scots law is frightfully interesting and well worth examining. As an English lawyer, I probably, on balance, prefer ours, but I would certainly not criticise theirs. My hon. Friend was just teasing me.

Mr. Fabricant *indicated assent.*

Mr. Heald: Finally, I reiterate the Opposition's support for the Bill. We wish it well and I shall be interested to hear the Minister's comments on the amendments.

Mr. Mike O'Brien: It is appropriate that I reply at this point to the debate, but, first, I congratulate my hon. Friend the Member for Pudsey (Mr. Truswell) on his decision to introduce a Bill on licensing so as to close a clear lacuna in the law. It is an important Bill, and I share his deep concern about the unlawful sale of alcohol to young people. I gladly tell him that the Government will fully support the Bill. On balance, the best way of doing that is to leave the Bill unamended. I shall explain the reasons for that in due course.

[Mr. Mike O'Brien]

1.30 pm

Before doing so, I shall make some general comments on the debate, which has been very good. I welcome strongly the contribution of the hon. Member for North-East Hertfordshire (Mr. Heald) who spoke for the Opposition and said that they supported the Bill. That shows how my hon. Friend the Member for Pudsey has brought together Members on both sides of the House to gain broad support for a focus Bill, which deals with a particular problem in an exemplary manner.

During our debate, hon. Members raised many issues, including the use of the internet to purchase alcohol, that give rise to serious considerations that the House needs to discuss at length and in detail, perhaps on another occasion. The complexities of the issues are such that the Government want to think them through. Once we have debated the White Paper on licensing, we may be better placed to examine further many issues raised in today's debate.

There were good contributions to the debate and, more importantly, some amusing ones. The speech of my hon. Friend the Member for Brent, North (Mr. Gardiner), setting out the case for his amendments—which I shall reject—was a tour de force. The right hon. Member for Bromley and Chislehurst (Mr. Forth) also participated in the debate, and in a tour de force of his own, set out the case for his amendments, only to proceed to demolish that case with vigour. As our debate progressed, he wisely acknowledged the weakness of some of his amendments and indicated that he would not press them.

My hon. Friend the Member for Pudsey set out his case. I agree that the Bill should be a focus Bill and that wider issues should not be included in it unnecessarily, as they would be better dealt with in a licensing Bill. The hon. Member for Lichfield (Mr. Fabricant) regaled us with tales of Ye Olde King's Head in Los Angeles, which we shall remember, and which may come back to haunt him one day. My hon. Friend the Member for Liverpool, Garston (Maria Eagle) used her legal training to give a learned exposition of her case. In due course, we shall seek to be as erudite in seeking to persuade her not to press her amendments.

The right hon. Member for Penrith and The Border (Mr. Maclean) has considerable experience as a Home Office Minister and raised some important issues. I agree that we must, in his words, clobber those involved in the sale and delivery of alcohol to under-age people. He believes that we should go further and examine wider issues on which, as I said, he gave us much food for thought. It may be better to consider those issues at length and with greater care during the consideration of the White Paper and, no doubt, during debate on a licensing Bill which will follow.

My hon. Friend the Member for Dumfries (Mr. Brown) raised several important issues, some going beyond the scope of the Bill, to which I wish to give serious consideration. I thank him for his excellent contribution.

The amendments deal with sales effectively conducted from premises, such as sales made from a shop or supermarket by telephone or computer link, or perhaps by a credit facility. What constitutes a sale is already a complicated matter under existing licensing law and, indeed, to some extent, rather obscure. That is one reason why we need to examine the broader issue of licensing law in the White Paper. A registered private members' club, for example, does not technically in law sell alcohol to its members, even though money may change hands. That is because a member owns part of the stock and cannot purchase what he already owns. The exchange of money is merely in law a means of ensuring that no single member obtains more than his fair share. However, the club does not supply alcohol to its members. Again, "supply" has a technical meaning quite different from sale.

In the context of the discussion about the House of Commons and amendment No. 53, that issue is important. Certain clubs will be excluded from some of the provisions because they will not be undertaking a sale. The House of Commons is therefore not unique in the way in which the legislation will apply. There are many clubs in most towns to which the provisions may not apply.

The law permits sales on credit by off-licences. Sales on credit are prohibited only when alcohol is sold for immediate consumption on licensed premises. Consumption is not permitted on off-licence premises. Without the opportunity to take legal advice on some of the technical implications of the wording of some hon. Members' amendments, I am reluctant to offer wholehearted Government support for them. We obviously intend to address modern types of sale in the Bill that we shall eventually introduce, following the White Paper. Indeed, it is an important aspect of modernising our law. However, we need to get it right and to avoid causing problems in practice for the courts.

Credit cards cannot lawfully be held by anyone under 18 years old, but debit cards can be obtained by minors. Therefore, the debit card is particularly relevant to some of the issues that the amendments address. We need to be certain about the technicalities of when sales are completed and where the sale takes place when such cards are used over the telephone, the internet or through various other mechanisms.

As we have said in the licensing White Paper, there is no evidence that youngsters are using purchase by mail order, telephone or internet to obtain alcohol—at the moment. We shall have to examine carefully any evidence that may arise. If problems transpire, we must be prepared to deal with them when we introduce legislation on licensing.

The most common source of alcohol for younger age groups is their parents. Illicit drinking outside the home usually involves the desire for instant gratification. Young people normally obtain alcohol directly in small purchases—one can or two—at off-licences. The amendments therefore would not benefit the current situation.

In addition, although there is little evidence of young people using the internet to obtain alcohol, there is a risk, if retailers fear prosecution for under-age sales, that accepting the amendments would inhibit the development of e-commerce. That could damage business but have no obvious benefit in tackling under-age consumption.

Ordering on the internet involves no instant gratification; delivery occurs some time later. We suspect that that is one reason why there is no evidence of such sales at the moment, but we are alive to any evidence that may present itself and prepared to deal with those issues in the longer term. Given such problems and uncertainties,

and subject to my reassurance that the matters will be addressed in future reform, I urge hon. Members not to press their amendments.

Mr. Heald: There is obviously quite a bit of concern in the House on the question of internet sales and the use of credit cards. I of course accept the Minister's explanation that, as yet, there is no evidence of such sales in large numbers, but might the Home Office want to undertake some research into the matter?

Mr. O'Brien: We looked at many issues in the context of the White Paper and a research budget has been allocated for this financial year. That issue is certainly one that we will want to bear in mind. I suspect that the way in which to approach the matter is, first, to see what evidence arises as a result of consultation on the White Paper. If it transpires that issues do arise, we shall consider instituting specific research. Given the nature of the way in which young people use the internet, it is difficult to identify now how we might set up a research project, but if the police or other authorities say that there appears to be a problem, we shall consider how best to deal with it—that might well involve legislative provisions as part of a wider licensing Bill.

The amendments proposed by my hon. Friend the Member for Garston would change significantly the defence available to a licence holder or member of his staff who was prosecuted for selling alcohol to a person aged under 18. It would have to be proved that the offence had been committed knowingly, and the defences of having no reason to suspect that a person was a minor and of having shown due diligence in seeking to establish the age of a person would disappear. I remind the House of the purpose of the Bill: David Knowles, a constituent of my hon. Friend the Member for Pudsey, died in tragic circumstances following the consumption of alcohol purchased from an off-licence. The facts are not disputed, but, as we all know, those involved evaded prosecution because there is a loophole in the law. The Bill, as amended in Committee, would close that loophole. The House must ask itself whether, having closed it and so made prosecutions more likely in future, it wants to make it more difficult than it currently is to secure a conviction.

The right hon. Member for Bromley and Chislehurst wants to extend the offence of allowing alcohol to be sold to a minor to that of facilitating a sale—although, in the course of his exposition, he appeared to withdraw from that position to some extent. However, that would alter the whole thrust of that provision, which deals with those who have control or authority over others selling in licensed premises, and ensures that a manager or licensee cannot evade his responsibilities by turning a blind eye to his staff's actions: if they commit offences, he risks being prosecuted as well. The notion of facilitation offers a different perspective: how does a manager "facilitate" a person to sell? I am not sure that the prosecuting authorities or the courts would understand Parliament's intention if that wording were adopted. Without time to consult the Magistrates Association and practising layers, I am reluctant to support such an extension of the offence. I note that the right hon. Gentleman said that he would not press the amendment, and I am grateful to him for that. However, I can assure him that it is a matter that could be considered as part of the broader licensing review.

Although they deal with the offences and triggers for the available defences in new sections 169A(3) and 169B(1), the amendments proposed by my hon. Friends the Members for Kilmarnock and Loudoun (Mr. Browne) and for Dumfries return us to the question of the loophole in the law that has been exposed on many occasions during deliberations on the Bill by my hon. Friend the Member for Pudsey. He set out the circumstances that led to the tragic death of the child in his constituency, which involved those employed by national chains of off-licences. However, there are other problems arising from the outdated wording.

The term "servant" in existing law does not encompass an agent acting on behalf of a licensee who is not his employee. Therefore, for example, the wife or husband of a licence holder working in an off-licence in an unpaid capacity may be immune from prosecution for selling to under-age children; similarly, a brother or other family member serving in the shop could escape prosecution. In 1996, the conviction of the husband of a licensee for selling to a 14-year-old girl was quashed in the divisional court, because there was no evidence of a master-servant relationship—*[Interruption.]* The right hon. Member for Bromley and Chislehurst laughs; he appears to be confused about the nature of the state of matrimony.

The House will know that many high street off-licences are family run, and it would be wrong if a licensee could evade prosecution by laying the responsibility for the sale on his or her spouse. As the wording chosen by my hon. Friend the Member for Pudsey covers every eventuality and so closes the loophole, I ask the House to support the original wording.

My hon. Friend the Member for Garston proposed an amendment that changes the offence set out in section 168B(1). The sale would have to be made knowingly, and there would be an alternative offence of being "recklessly indifferent" to sales made to under-18s. I have some concerns about the proposal. I am sure that my hon. Friend is familiar with the legal maxim that the state of a man's mind is as much a matter of fact as the state of his digestion. In other words, the state of a man's mind can be established by evidence in a court of law.

1.45 pm

The current offence is knowingly to allow a person to sell alcohol to a minor. That implies two things: the offender had the authority to prevent the sale and, knowing the purchaser to be under age, permitted the sale to take place. Those are simple concepts, well known to, and understood by, the courts.

The term "knowingly" occurs in other statutes. For example, I know from previous departmental responsibilities that it is an offence under immigration law knowingly to remain beyond the time limit attached to one's leave to enter or remain in the United Kingdom. The concept of reckless indifference is less well known and less well understood.

I understand what my hon. Friend is trying to achieve and the advantages. The proposed wording would prevent the licence-holder from turning a blind eye to the actions of his staff. He may know that the sale is taking place, but choose to ignore it. He therefore neither allows nor prohibits the sale.

Before giving Government support to any such amendment, I would want to take advice from lawyers who were experienced in this area and from the

[Mr. O'Brien]

Magistrates Association about how they would interpret that wording. It is not clear what evidence is required to establish recklessness or indifference. How easy would it be to mount a prosecution and what would be the convincing defences? I do not know the answer to those questions and, without a more detailed examination of the terminology, I must decline to give the Government's support to the amendment and ask my hon. Friend the Member for Garston not to press it.

I shall deal now with the use of the word "agent" and how it would trigger the defence in new section 169A(3). The terminology "employee or agent" is worrying. Would it mean the defendant's employee or, if the member of staff was the employee of a national chain, would the defence in new section 169A(3) not be available?

That takes us back to the troubled area that gave rise to the Bill. We must avoid any possible confusion. The wording "any person" is all-embracing and covers every eventuality. The change of definition in new section 169B(2) does not help in regard to our concerns, and I therefore ask that the amendment not be pressed.

I shall say a little more about the word "knowingly". The hon. Member for North-East Hertfordshire set out his view that that word was enormously important in new section 169B. I agree with his analysis. The contractual relationship is the key one. I hope that colleagues who are advancing the amendments will take account of the hon. Gentleman's point that "knowingly" is important in that section and is not necessary in new section 169A.

With regard to under-18s buying, or attempting to buy, alcohol, amendments have been proposed to extend that by adding the words "or otherwise obtain". The offence would still be confined to licensed premises and, under new section 169F(2), would apply to the delivery of alcohol sold in licensed premises. As I said earlier, I understand that under-18s cannot hold credit cards. We must deal with the issue with which we are presented. Suppose the 16-year-old son of a licensee asked his father whether he could have a can of beer from the stock to drink with his meal in the flat upstairs. Does he commit an offence under the expanded wording? That must be carefully considered; we have not yet had the opportunity to do that. I assure hon. Members that I shall examine that matter when considering general reform of the Licensing Act. However, I shall not accept the words "or otherwise obtain".

We do not have a problem with under-18s using credit cards. It is not an issue that we must tackle immediately. It is better to remain within the narrow and focused remit that my hon. Friend the Member for Pudsey proposed in the Bill.

Amendment No. 37, which my hon. Friend the Member for Reading, East (Jane Griffiths) tabled, would extend proposed section 169E(1) to the whole of any licensed premises. That means that a minor would commit an offence if he or she drank a pint of beer in a family room or pub garden. The amendment's effect would therefore be enormously significant. The Government believe that the law must be clarified so that the consumption of alcohol anywhere on pub premises is clearly lawful where it is accepted but unlawful otherwise. However, amendment No. 37 would require the exception in new section 169D to be extended to 169E(1).

The balance between freer access to licensed premises by minors and tough laws to prevent under-age consumption on the premises needs to be examined in a broader context than the Bill. While I have some sympathy for the sentiments behind amendment No. 37, I should like the opportunity to get the balances right. In doing that, I want to consult the industry, the police and magistrates about the proposal before reaching a conclusion. I therefore ask my hon. Friend the Member for Reading, East to consider not to press her amendment.

My hon. Friend the Member for Brent, North asked whether a Member of Parliament would commit an offence under proposed section 169F if he supplied a bottle to a raffle that was won by a minor. The question presupposes that the House is considered licensed premises, which it is not. The distinction between being a Member of the House and working here is a moot point, which might lead to some legal argument. We know that my hon. Friend works hard and we therefore give him the benefit of the doubt. However, he would have to have an opportunity to prevent the delivery of the raffle prize to the minor. My hon. Friend might well deliver the bottle to the charity or the fete, but he would subsequently have no authority to prevent the onward delivery of the bottle to the winning minor. It could therefore be argued that my hon. Friend had a probable defence against that difficulty. I hope that that relieves his anxiety.

Amendment No. 10, which my hon. Friend the Member for Garston tabled, would remove the word "knowingly" from the offence of allowing a person under 18 to consume alcohol in a bar and amendment No. 11 would substitute the defences that are in proposed section 169A(2) and (3) for that in proposed section 169E. There is no doubt that that would make it easier to secure a conviction. However, the offences in proposed sections 169A(1) and 169E(1) are fundamentally different.

Proposed section 169A(1) covers the sale of alcohol to a person under 18. That is wholly under the control of the retailer. If he does not know the age of the purchaser, he does not have to sell. If he takes a risk, he knows the potential penalty, including the risk to his licence. Proposed section 169E(1) covers allowing consumption by a minor in a bar. A bar is a specific area that is agreed by the licensing justices; it is almost certainly not the whole of the premises. Children aged 14 or over may be present in a bar area, although they may not consume alcohol. The youngsters' presence may be entirely legal.

In a crowded bar, an adult may purchase two drinks: a lemonade and a vodka and tonic. He or she may take the drinks to a table in the bar and give the vodka and tonic to a 16-year-old and keep the lemonade because he or she is driving. No direct transaction with the minor will have taken place. How does the licensee know what the clear liquid being drunk across the bar is? The landlord's criminal responsibility is often uncertain because of the great variety of circumstances that may surround under-age consumption. The offence is therefore not the same as a direct sale. It is perfectly reasonable to suggest that a conviction would be hard to secure.

We do not want to create an offence that forces licensees to deny access to their pubs to anyone under 18, even if they are there to consume soft drinks with their parents. That would be the risk if the licensee felt vulnerable to unreasonable prosecution. It is a matter of getting the balance right. Such amendments would unbalance the legislation and produce unnecessary,

perhaps socially undesirable, outcomes. We must think such matters through in the broader context. Again, I refer hon. Members to the White Paper. For those reasons, I ask my hon. Friend the Member for Garston to reconsider and not press the amendment.

My hon. Friend also wants to substitute "knowingly" for "recklessly" in new sections 169E(2) and 169G(1) of the 1964 Act. In the first instance, that would mean that a person working in a bar would commit an offence only if he recklessly allowed a person under 18 to consume alcohol. In the second, an adult who sent a child to buy alcohol would commit an offence only if he had acted recklessly.

I have already explained that the courts know and understand the word "knowingly", but establishing reckless behaviour certainly seems more obscure. I should prefer not to risk making a conviction less easy to secure by introducing terminology of uncertain effect. The term "reckless" would imply that sending a child to buy alcohol from an off-licence could somehow be reasonable and lawful. The issue is not the degree of reasonableness, but the extent of the person's knowledge. If he knows that he has sent a child to make the purchase, he has little or no defence open to him. If, as the result of a misunderstanding, the adult does not realise that that is what the child has gone to do for him, a defence is available. Recklessness is an altogether different animal. I am confident that the drafting would not cause problems. Therefore, I ask my hon. Friend not to press the amendment.

On amendment No. 53, which deals with the House of Commons, I understand that the House is exempt from the provisions of the 1964 Act by convention, because of the 1935 case Regina *v.* Graham-Campbell, ex parte Herbert, which makes it clear that licensing law does not apply to Parliament. It is not so odd or exceptional as it might appear that we are able to operate our own licensing procedures. Registered clubs, sports and social clubs and others already operate under somewhat different regimes from unlicensed premises. They operate with a registration certificate and their sales rules are different.

The hon. Member for Lichfield asked when Members of Parliament are subject to criminal law and when they are not. The purpose of amendment No. 53 is to bring the House within the legislation. The position is somewhat complex, but I understand that Members are fully liable for any offence committed outside this place. However, the House has privileges in respect of the exclusive cognisance of its procedure and proceedings, especially on freedom of speech. He would not be liable for what he said during proceedings, but he would be unwise to claim that a crime—other than one that relates to licensing or another specific exclusion—would not be prosecuted if committed in the precincts, because I suspect that the House would take the view that it should. Indeed, Lord Cochrane claimed privilege when he was arrested in the Chamber of the House of Commons in 1815, but his claim was rejected on the grounds that he had committed offences and was being properly arrested.

Mr. Fabricant: Was it the prerogative of the House to decide whether that person or anyone else could be arrested, or was the law such that he could be arrested whatever view the House took about it?

2 pm

Mr. O'Brien: If I remember correctly, the matter is set out at some length in "Erskine May" on page 70.

Mr. Heald: Page 74.

Mr. O'Brien: I thank the hon. Gentleman. The hon. Member for Lichfield can study the matter in some depth. The issue is somewhat convoluted, but essentially the position is that a person may be arrested here. In the case to which I referred, Lord Cochrane was arrested in the Chamber, but the House was adjourned so it was not sitting at the time.

In 1987, the Privileges Committee decided that Members were not privileged solely on the ground that they were in the precincts of the House. In Bradlaugh *v.* Gosset in the 1880s, Judge Stephen said that he knew of no authority for the proposition that an ordinary crime committed in the House of Commons would be exempt from the course of criminal justice. He made an exemption of anything that was said, because it is clear that the House has decided that whatever is said during our proceedings and procedures is proper.

I reassure the hon. Member for Lichfield that, according to "Erskine May", apart from the case of Sir John Eliot in 1629, no charge has been brought against a Member of the House for an act committed while in Parliament. That should reassure us that we can run our affairs reasonably well, at least within the precincts of Parliament. That being said, it would be unwise for any MP to try to commit an offence.

Until now, the view of the House has been that Parliament should not be brought within the licensing laws. If we should decide to change that position, we should do so in the context of a broader debate about licensing law. The best approach is to allow the procedures of the House, the Committees and the usual channels to consider whether the licensing laws should be amended. I am sure that the Catering Committee would want to express a view, as would hon. Members. Until that debate is held, it would be better if my hon. Friend the Member for Brent, North did not press amendment No. 53.

I have gone through each of the issues rather than each of the many amendments, some of which would do much the same thing. I have suggested that significant points should be dealt with in a broader context and in a wider debate. The effect of the amendments that raise narrower issues would not be in keeping with what this focused Bill seeks to achieve.

My hon. Friend the Member for Pudsey has done the House a service by bringing this matter to our notice. He has worked hard to get the drafting of the Bill right. Many of the points that hon. Members have raised have been covered by him rather well. On that basis, I ask all hon. Members to support the Bill as drafted by my hon. Friend.

Jane Griffiths (Reading, East): I thank my hon. Friend the Minister for his remarks on the two amendments in my name. The Bill plugs the loophole in the law that exempted people from prosecution in the tragic case of David Knowles, but it also raises wider issues on our licensing laws. I am grateful to the Minister for referring to a future debate and possible legislation on our licensing laws, and we all look forward to that.

[Jane Griffiths]

The report from the taskforce on under-age alcohol misuse was interesting, as those involved had talked to people aged between 10 and 17, who may be under-age drinkers. They were asked adult questions, such as if they drank alcohol, where was a safe place to do so. They said in a bus shelter, behind a building, in a car park, or on a recreation ground. To them, "safe" meant where police, parents and teachers would not see them, and they were exactly the kind of places that most adults would believe to be unsafe for children, especially if they were drinking alcohol.

The report says a lot about the attitudes of young people to drinking. The thrill or buzz that a lot of young people get from doing something unlawful should be borne in mind, and we need to move towards a more civilised approach to drinking generally. It is clearly proper for parents to introduce their children to alcohol sensibly at home, by means of a glass of wine with a meal, for example. However, we have a culture in this country—particularly with regard to boys and young men—which is often damaging to them. They see drinking as something that they must learn to do; they must learn to increase their capacity. If they can manage to drink a great many pints, they become men. They learn that from peer pressure.

The report was interesting on the subject of what young people drank, such as alcopops. The young people said that they did not drink alcopops but the industry suggests that those drinks are being sold to young people, mostly in their teens. However, the young people did not like drinking something that was meant for teenagers, and thought themselves more sophisticated than that.

I give maximum respect to my hon. Friend the Member for Pudsey (Mr. Truswell) for his hard work on the Bill in the wake of the tragedy to which he referred. As a legislature, we must find ways of preventing such an avoidable tragedy from being repeated.

Mr. Gardiner: Having listened carefully to the debate, and with deference to the speech of my hon. Friend the Minister, who pointed out that it was critical that the Bill should be closely defined, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn

Maria Eagle: I beg to move amendment No. 6, in page 1, leave out lines 11 to 14.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 21, in page 1, line 13, leave out—

'had no reason to suspect that the person was under'

and insert—

'believed the person to be over'.

No. 7, in page 1, leave out lines 15 to 19.

No. 22, in page 1, line 17, leave out "some other person" and insert "an employee or agent".

No. 52, in page 1, line 19, at end insert—

'(3A) It is a defence for a person charged with an offence under subsection (1) of this section to show that the person under eighteen produced evidence at the time of sale purportedly showing him to be eighteen or over.'.

No. 16, in page 1, line 28, at end insert—

'(2A) It is a defence for a person charged with an offence under subsection (1) of this section to prove that he had no reason to suspect that the person was under eighteen.

(2B) It is a defence for a person charged with an offence under subsection (1) of this section to prove that he exercised all due diligence to avoid the commission of an offence under that subsection.'.

No. 33, in page 2, line 14, leave out—

'had no reason to suspect that the person was under'

and insert—

'believed the person to be over'.

No. 11, in page 2, line 36, at end insert—

'(4) It is a defence for a person charged with an offence under subsection (2) of this section, where he is charged by reason of his own act, to prove that he had no reason to suspect that the person was under eighteen.

(5) It is a defence for a person charged with an offence under subsection (2) of this section, where he is charged by reason of the act or default of some other person, to prove that he exercised all due diligence to avoid the commission of an offence under that subsection.'.

No. 77, in page 3, line 33, at end insert—

'169I. Without prejudice to any defence otherwise available under any provision of this Act, it shall be a defence for a person charged with an offence under section 169A, 169B, 169C, 169E, 169F or 169G of this Act to prove—

(a) that he had no reason to suspect that the person was under eighteen, or

(b) that he exercised all due diligence to avoid the commission of an offence.'.

Maria Eagle: Given that this group of amendments was tied in with the first group, which we have discussed extensively, I shall do no more than move the amendment.

Mrs. Eileen Gordon (Romford): I strongly support the Bill.

I want to talk about proof of age, which is mentioned in many of the amendments. I want to set the matter in the context of the particular situation in my community. Six or seven years ago, South street in Romford was practically derelict. Shops were boarded up and it was an awful place to walk. Now it has been revitalised by a large number of clubs and pubs. As well as bringing new life to the area, they have brought some problems, mainly involving the large influx of young people at evenings and weekends. One of the problems is under-age drinking in Romford town centre.

The pubs and clubs are on the whole parts of large, well-known chains. They have respectable management and do what they can to ensure that there is no under-age drinking, but—my hon. Friend the Member for Reading, East (Jane Griffiths) alluded to this—many young people see drinking as a rite of passage into adulthood. They see it as a challenge to get into pubs and clubs that they are not supposed to be in. For 16-year-olds it is a big badge of achievement to get into an over-18s club.

There are problems of monitoring who goes into the pubs and clubs and who consumes alcohol. A lot has been done. I have talked to my local licensing officer about how the problem is dealt with. All licensees are instructed by police in the London borough of Havering on the forms of proof of age and identification that are acceptable. Unfortunately, there are many forgeries in circulation.

However much I admire the Portman Group and its "Prove It" card, it has become discredited in our area because of all the forgeries. The police consider that in Havering, which includes Romford town centre, the only acceptable forms of identification are passports and the new style of driving licence with a photograph on it.

I would not like to go out in the evening carrying my passport. My two children are just out of their teenage years. I cannot imagine my daughter, with her evening dress on and a tiny purse, wanting to carry a passport. Many young people are in the town centre without proof of identity.

Mr. Steve McCabe (Birmingham, Hall Green): Does my hon. Friend agree that this is a classic opportunity for the retailers and the rest of the industry to take up the suggestion from the ministerial group on alcopops and produce a universally acceptable card?

Mrs. Gordon: Yes, certainly. I intended to mention that later. There is a proliferation of proof-of-age cards. I am sure that they all stem from worthy motives but they are all different and have different levels of security built in. For instance, the citizen card is very good—it is like a credit card and has a photograph sealed in, as opposed to one that is merely stuck on and can easily be peeled off and replaced.

2.15 pm

At weekends, the clubs in Romford allow in only people who are over 20. People aged 16 look like those aged 18, but it is easier to distinguish people over 20. The clubs are very worried about the problem of under-age drinking and are as diligent and vigilant as they can be. However, in the first quarter of this year three juveniles were arrested for being drunk and disorderly in Romford town centre. There were also 24 other arrests of juveniles for various offences—such as public order offences—that the police considered to be alcohol-related. Eight cases involved assault, but it is worth noting that 157 adults were arrested in the same period.

I regret that the Bill does not include a proposal for a national proof-of-age card. I know that that is what the police in Romford want. I believe that a national card that is universally acceptable would give bar staff the reassurance that they need. Until it is available, there will always be a problem with under-age drinkers.

Mr. Forth: Does not the hon. Lady agree with the Minister and me that the hon. Member for Pudsey (Mr. Truswell) has succeeded so well with his Bill—after all, he has persuaded many of us not to press our amendments—because he has not tried to put too much into it? Had he done otherwise, his purpose would have been jeopardised. Does not hon. Lady agree that the hon. Gentleman has been sensible and skilful in fashioning the Bill so that it does the limited job that he wants it to perform without introducing the extra baggage that might have put it at risk? Might not that be the reason why the Bill lacks the provision that the hon. Lady describes?

Mrs. Gordon: I agree that the Bill has been designed, and refined, so that it will reach the statute book. However, I suppose that I am really addressing my remarks to my hon. Friend the Minister, in the hope that the Government will look at the issue of national proof-of-age cards. Such a scheme might be administered through schools and colleges, as people are clearly most vulnerable to under-age drinking between 16 and 18. Many schools in my area are trying to get involved with citizen cards and "Prove It" cards, which provide security to young people and reassure their parents too.

My hon. Friend the Member for Upminster (Mr. Darvill) has tabled amendment No. 52, which would provide a protection for staff in clubs and off-licences if they could prove that they had asked for some form of identification. However, I fear that that could be a bureaucratic nightmare. Anyone who has been in the centre of Romford on a Friday or Saturday night—I go there sometimes as a matter of research—would agree that implementing the proposal would be impossible, given the huge numbers of people enjoying themselves in the bars and clubs. I do not think that staff would be able to cope with the requirement to ask for identification.

What we need is a clear, easily identifiable and universally recognised card. As a matter of routine, staff should always check young people. Such a card would be shown as a matter of course, as one would show a bus pass. Students who do not show their bus passes do not get their concessionary fares—no pass, no bus ride. Proof-of-age cards would work in the same way—no card, no drink.

Mr. Keith Darvill (Upminster): Amendment No. 52 would make an important improvement to the Bill and help to make it a better balanced piece of legislation. I understand the point made by my hon. Friend the Member for Pudsey (Mr. Truswell) and, indeed, by others, about not moving the Bill too far. However, we should try and get the balance right in the Bill, and it is useful for the House to debate such a balance. It has been a balanced debate all round, and, as such, a worthwhile one.

The Bill replaces the ineffective elements of section 169 of the Licensing Act 1964 and closes the loophole revealed by the Russell case in 1997, which was referred to extensively on Second Reading. Section 169 of the 1964 Act provides that where the person charged with an offence of selling intoxicating liquor to a person under 18 is the licence holder, and he is charged by reason of the act or default of some other person, it shall be a defence for him to prove that he has exercised all due diligence to avoid the commission of an offence under the Act. I believe that the 1964 Act and this Bill could go a little further because of the possible mischief that could be caused by forged or false identification in cases in which licensees and their staff act with due diligence.

Under the existing law, in one case in which an employee operated a good system devised by his employer for the avoidance of the sale of alcohol to young persons, and was acting in a specific sale under the instructions of a more senior employee, the court held that in the absence of any evidence that the purchaser was clearly under age, or that the identification produced was forged, no reasonable tribunal could find that the vendor had failed to exercise due diligence. It would be helpful to specify the interpretation of the existing law and to know whether that interpretation was embodied in the Bill. That is why I tabled my amendment.

The amendment would help licensees and encourage more regular checking of identification in licensed premises. In the light of earlier speeches, right hon. and

[Mr. Keith Darvill]

hon. Members may believe that the amendment is unnecessary. I shall not be pressing it to a vote, but it is useful to debate it.

My view is reinforced by the evidence in the report of the under-18 panel meetings of the taskforce, to which my hon. Friend the Member for Reading, East (Jane Griffiths) referred a few moments ago. I think that that evidence is relevant to my amendment and to others in this group.

The taskforce evidence, gathered after a thorough investigation, is compelling in that it illustrates how determined young people are, particularly those at risk, to target what the report refers to as safe places. One of the most important findings to emerge from the discussion of what is a safe place to drink was that the panellists giving evidence interpreted "safe" as a place where they were less likely to be caught by police or parents, rather than the conventional definition of "safe" as being away from harm and danger. They referred to back streets, the back of buildings, parks, bus stops and public toilets. We all know of areas in our constituencies where young people drink; it results not only in the sort of serious consequences that drove my hon. Friend the Member for Pudsey to promote the Bill, but leads to anti-social behaviour, which the Bill addresses.

Clearly young people under 18 have obtained intoxicating liquor from some establishments. In some cases, over-18s may purchase for younger people, but many younger people buy for themselves. That is the mischief that the Bill attempts to address by ensuring that there is a culture of awareness and checking, and a system of identification, which the amendment would provide.

Mr. Mike O'Brien: My hon. Friends the Members for Romford (Mrs. Gordon) and for Upminster (Mr. Darvill) have raised important points, particularly on the method of proving age. I was concerned to hear my hon. Friend the Member for Romford say that forgeries of the Portman card are a problem. Likewise, I was worried to hear that police officers in her area can accept only driving licences or passports as proof of age.

The issues raised by both my hon. Friends should be part of a wider debate on licensing reform this year and next as legislation is introduced. I shall seek to include their comments in the Government's broader consideration, and the issues that they have raised will be duly weighed and considered.

The Bill is tightly focused, and I shall wish it to remain so. I hope that my hon. Friend the Member for Liverpool, Garston (Maria Eagle) will feel able to withdraw the amendment on that basis.

Maria Eagle: In view of those assurances and the good will towards the Bill throughout the House, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Order for Third Reading read.

2.27 pm

Mr. Truswell: I beg to move, That the Bill be now read the Third time.

I thank all Members who have participated in the debate today and in Committee and on Second Reading. The quality of debate at each stage has been exemplary. It has demonstrated to many people, as well as my constituents, how well we can discuss issues on which there is not necessarily any party political dimension. I thank all the hon. Members who have assisted me, from both sides. I repeat what was said by the hon. Member for Daventry (Mr. Boswell)—on this Bill, we have all been right hon. and hon. Friends, not simply Members of Parliament.

I thank the Minister for his kind assistance, and Andrew Cunningham, a Home Office official, for his many words of advice. On occasion during the various debates, it has been suggested that this is a Government Bill. The implication has been that it was handed out to me. I can assure hon. Members who may nurture those suspicions that that simply is not so. Members aware of my record over the two and a half years in which I have been pursuing the matter will know that to be true. I can confirm that Government support was forthcoming only after the formal First Reading. Since then, it has been forthcoming from both sides of the House, and I am delighted that we have reached Third Reading. I am not complacent. There is still time for more debate on the Bill and I am aware that hon. Members want to make contributions and comments.

I am equally delighted that Members, despite the discussions on various issues that impinge—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on Friday 9 June.

Remaining Private Members' Bills

RECYCLED CONTENTS OF NEWSPRINT BILL

Order for consideration read.

Hon. Members: Object.

To be considered on Friday 19 May.

MEDICAL TREATMENT (PREVENTION OF EUTHANASIA) BILL

Order read for resuming adjourned debate on Question [14 April] on consideration of Bill, as amended in the Standing Committee.

A new clause—Consent of the Director of Public Prosecution—

".—No prosecution under this Act shall be brought without the prior consent of the Director of Public Prosecutions."—*[Mr. Dismore.]*

Question again proposed, That the clause be read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 9 June.

PROPERTY TRANSACTIONS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 9 June.

SEX DISCRIMINATION (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 21st July.

CONTROL OF HEDGEROWS IN RESIDENTIAL AREAS BILL

Mr. Deputy Speaker: Not moved.

PUBLIC HOUSE NAMES BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 9 June.

ZOO LICENSING (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 19 May.

ROAD TRAFFIC BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 19 May.

DELEGATED LEGISLATION

Ordered,

EDUCATION (STUDENT SUPPORT)

That the Education (Student Support) (Amendment) Regulations 2000 and the Education (Student Support) Regulations 2000 be referred to a Standing Committee on Delegated Legislation.—*[Mr. Kevin Hughes.]*

CRIMINAL JUSTICE (MODE OF TRIAL) (NO. 2) BILL

Motion made,

That, during the proceedings on the Criminal Justice (Mode of Trial) (No. 2) Bill, the Standing Committee on the Bill shall have leave to sit twice on the first day on which it shall meet.—*[Mr. Kevin Hughes.]*

Hon. Members: Object.

CS Gas

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kevin Hughes.]*

2.32 pm

Mr. Mike Wood (Batley and Spen): I am grateful to have secured this debate to raise the issue of CS gas spray and its use by police forces in England and Wales. This is a complex and interesting matter, and, as always, I am indebted to the House Library for unfailing help and assistance in drawing together the relevant material.

After its use in Ireland for riot and crowd control, CS gas, as a spray, was introduced to England and Wales in 1996 after street trials. It is now routinely issued to police officers and in some cases to special constables in all but three of our police forces. In the minds of many police officers, the gas has apparently come to replace, rather than supplement, the baton. Indeed, CS spray is a chemical baton.

The purpose of the gas is to act as a less than lethal defence for officers, to deter and detain violent subjects who cannot otherwise be restrained. The Association of Chief Police Officers of England, Wales and Northern Ireland—ACPO—refers to it as

> providing officers with a tactical advantage in a violent encounter.

The use of the gas is governed by common law provisions in respect of self defence and by section 3 of the Criminal Law Act 1967, which refers to

> such force as is reasonable in the circumstances.

Any police officer's decision to use this equipment has to be judged according to the particular circumstances at the time of use. However, the use of excessive force is not sanctioned.

The spray itself is administered from a hand-held canister in a liquid stream, which is directed by the officer at the face of the subject—ideally from between 8 and 14 ft. The stream is very accurate and many officers consider themselves to be much safer when so equipped. Some report that merely drawing the canister has a deterrent effect. However, it would appear that the spray is used at least 5,000 times a year. It is almost impossible to collate the figures, but the spray could be used many more times a year in this country. Use of the spray is not just threatened; canisters are drawn and used.

The spray is made up of a chemical, which has the usual unpronounceable name with 29 letters that I shall not attempt to pronounce. It is a crystalline solid within a solvent—methyl isobutyl ketone, known as MIBK—and is supplemented by a propellant, nitrogen. Incidentally, a chemical concentration of 5 per cent. is five times greater than thought necessary by law enforcement agencies in the United States of America; it is a very powerful spray.

The effect of the spray is to disorientate and incapacitate the person targeted. It does that by causing severe irritation to the skin and to the mucous membranes in the eyes, nose and mouth. The subject's eyes are forced shut and breathing is heavily constricted. A subject should be rendered incapable of continuing any attack within 20 seconds.

MIBK, which is present as the solvent, is an irritant in its own right. It has a significant drying effect on the skin and can cause peeling, redness, itching and burns. In most cases, those effects are the most adverse and, apparently, the most long lasting. I say "apparently" because one of the implications of what I consider to be the improperly rushed introduction of this equipment in 1996 is that much needed research into the long-term effects of the spray, and especially of MIBK, have not even now been completed.

MIBK must be safe, we are told, because it has been used by the French police for 20 years and, after all, we find traces of it in foodstuffs. On the other hand, it is also a constituent of paint and paint stripper. There are reports of extensive blistering, burning and damage to the face and eyes, not just of members of the public, but of the police themselves. For instance, one officer in training with CS spray received almost 50 per cent. burns to his eyes and some people have required hospital treatment for as long as three weeks after being sprayed.

In its recent report, "CS Spray—Increasing Public Safety?", the Police Complaints Authority acknowledges that work needs to continue to find alternatives to both the spray and to the solvent, but states that

> there is an urgent need for more research to be done on the existing spray in relation to those who may be vulnerable through drink or drugs but specifically those who may be mentally ill.

I turn to the specific problems posed to those who suffer a mental illness, and I am grateful for the assistance of the charity MIND which has reminded me that it first became concerned about CS spray as early as 1996 after the death of Ibrahima Sey. Mr. Sey, as the House will remember, was sprayed with CS while he was handcuffed and on his knees, and he died soon afterwards. For the record, I should say that a jury found that he died of restraint asphyxia and excited delirium, but the coroner stressed the urgent need for more research and particularly questioned the wisdom of using CS spray in cases of excited delirium.

Since that time, the Royal College of Psychiatrists has set up a working group with the ACPO self-defence, arrest and restraint committee, which has led to improvements in the guidance on CS use. However, a survey by the Maudsley hospital in June 1998 found that 31 trusts reported that patients had been admitted while suffering from the effects of CS spray, and that 12 of those trusts had also had CS spray used on their premises. It appears that some officers use CS spray as a first resort and, inappropriately to control situations involving mentally ill people. Her Majesty's inspector of constabulary, no less, said:

> Some officers forget that the best weapons they've got to deal with potential violence are their brains and the ability to talk.

There are extra dangers in that there is still no scientific assurance that CS spray and its components do not have side-effects when used on people who are taking prescribed psychotropic and neuroleptic drugs. Although some mentally ill people are among the 18 per cent. of subjects on whom CS spray does not have a completely disabling effect, for other sufferers the effects may be heightened. The PCA report speaks of this as

> uncharted territory, where the risk is not fully known.

It seems, therefore, that this equipment is being used on our subjects regularly and, on occasions, inappropriately. Even in places as quiet and law abiding as my constituency, two incidents involving the use of CS spray have been brought to my attention. In the first, the spray was used on a 13-year-old, and in the second, my constituent, Mr. A, was sprayed with his arms behind his back and while surrounded by five officers.

The guidance to the police does not proscribe the use of CS spray on children, but I assume that that is because the people who wrote it could not conceive of such use. Surely the use of the spray on children is unacceptable. Would the officer concerned have hit that seven-stone child with a baton or truncheon if CS spray had been unavailable? Mr. A, a disabled man, was sprayed in a situation of affray in a large crowded room and while under restraint—features that breach the guidance. He has made a formal complaint to the Police Complaints Authority.

I understand that in both cases the officers in question contend that their use of CS spray was justifiable and warranted. Regarding the incident involving the 13-year-old, the chief constable of West Yorkshire pointed out to me that

that judgement can, of course, be tested in Court.

Many may feel, as did my constituents, that the trauma of the legal process would only exacerbate the horror of one's child being dosed with CS spray.

The police deserve the best protection that we can afford them. Incapacitant spray can be a part of that protection, but we need to consider making the following improvements if public support for its continued use is to be maintained. First, there must be renewed efforts to find a safer solvent than MIBK and less severe, but still effective, incapacitants, as suggested by the Police Complaints Authority.

Secondly, there must be better and more uniform police training. As we know from the PCA report, the more time and resources that are put into training, the fewer problems there are with the use of CS spray. There is a great disparity between the best and the worst-trained forces in that regard. Thirdly, we need better monitoring of the use of this equipment. Perhaps my hon. Friend the Minister can assure me that police forces will be required to use the ACPO standard report form so that full information can be held centrally.

Fourthly, additional information needs to be collated regarding the effect that the introduction of the spray has had on the number of assaults and violence to members of the public, as an anticipated reduction was used to justify its introduction. We do not know whether there has been a reduction. Fifthly, where there have been errors of judgment, mistakes or excesses by police officers in the use of CS spray, as is inevitable, we need more transparency and accountability so that lessons can be learned.

Police forces have a duty of care to their officers and the public. Sixthly, therefore, we need more research into the long-term effects of CS spray on health, such as lung function. There should be less use of the spray until the remaining health fears are allayed. There must be concern for police officers who, unlike the general public, may suffer long-term exposure to the substance. In one trial, 78 per cent. of officers were cross-contaminated. Seventhly, we have insufficient data on the chemicals' effects on people who are taking medication for mental health problems. That must be remedied.

In much of that, the Government could usefully be more proactive in their relations with individual police forces to ensure continued, uniform, national improvements in the use of what must be equipment of last resort.

In two areas, however, the Government should go even further. They should change the regulatory framework to ensure that, first, the use of CS spray is suspended when police officers are working under the Mental Health Act 1983, where the subject is known from police or medical records to be suffering a serious mental illness, or where it appears at the time of the incident that the person is in mental distress, such as the excited delirium suffered by the late Mr. Sey; and, secondly, the equipment, which is provided primarily to protect officers who are in fear of serious violence, is not used on children, as it was on at least one occasion in my constituency.

2.46 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien): I thank my hon. Friend the Member for Batley and Spen (Mr. Wood) for raising a very important issue that needs to be properly discussed in the House.

Police officers all too often encounter violence and aggression as part of their everyday work: in pursuing suspects, making arrests, or dealing with incidents of disorder which make up their everyday duties. It is clearly right that, in dealing with problems of crime and disorder on behalf of us all, police officers have available to them the best possible means of protection—both for themselves and members of the public. Together with physical means of protection, police officers must have the necessary training and skills to defend themselves effectively.

Whenever assaults on police officers occur, there is serious concern. That was so particularly a few years ago, during a period when the use of knives had become prevalent. Clearly that concern has not gone away. Police officers must be vigilant about the possibility of assault in the course of their duties.

Since the introduction of CS spray in 1996, the number of assaults on police has fallen in most areas of the country, from a total of 15,488 in 1996-97, to 12,569 in 1998-99. That is still too many assaults, but at least the number is on the way down. To some extent it is arguable that the availability of effective self-defence weapons, such as the spray, have contributed to that.

CS spray is a hand-held incapacitant device which helps police deal with difficult arrests or other violent situations. Like all use of force by the police, the use of CS must be within the law, which allows reasonable force to be used for the prevention of crime and the apprehension of offenders.

In considering the use of CS spray, we must also bear in mind the other means of restraint available to the police in dealing with violent situations: physical restraint by officers and the use of batons and firearms. There is always an element of risk to the suspect in the use of any kind of weapon or physical force.

CS is a sensory irritant and incapacitates by causing irritation to the eyes and nose of the person sprayed. It causes the eyes and nose to run, coughing and sneezing, discomfort, disorientation and a degree of pain. An individual who is sprayed may need to catch their breath, and in some cases a burning sensation may be felt on the skin.

In CS spray, CS is combined with the solvent MIBK which is in common industrial use. We know that MIBK can cause a dryness or reddening of the skin, or dermatitis,

[Mr. Mike O'Brien]

but there is no evidence of any long-term adverse effects on health from either CS or MIBK. Where injuries do occur, they normally clear up in a few days.

Before CS was introduced on a pilot basis in 1996, careful consideration was given to the range of scientific evidence on CS that was available. At that time, I advised the Police Federation of England and Wales. I urged the then Government to allow the police to use CS spray and supported their decision to allow it, as did the then Labour Opposition. Since that time, there have been two further reports on CS. One was a review by the independent expert Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment—COT—which is sponsored by the Department of Health. The committee reported at the end of last year; it specifically noted that there were no concerns about possible cancer-causing, genetic or reproductive effects of CS. On the basis of that report, my right hon. Friend the Home Secretary concluded that there were no serious health concerns that would prevent the police service from continuing to use CS spray as an incapacitant.

The report made two important points that the Government fully accept. First, as my hon. Friend says, the committee noted that there is a lack of information on the long-term effects of the combination of CS and MIBK used in the current police spray. In accordance with the committee's recommendation, work is being done with the Department of Health to carry out follow-up studies of persons sprayed with CS. Secondly, it noted that certain groups may be particularly vulnerable to the use of CS spray—for example asthma sufferers, for whom an attack may be triggered by any environmental irritant; and the mentally ill, especially those using certain drugs. The effects of CS on those drugs are not well researched, but we hope that the planned follow-up studies will give us further information about the possible effects on those groups.

The second report came from the Police Complaints Authority and was published in April this year. It was based on an analysis of the complaints about the use of CS spray that the authority had received during the previous twelve months. It is important to note that the PCA report states that no permanent injuries and no deaths have resulted from the use of CS. Secondly, a relatively small proportion of the complaints were substantiated—about 10 per cent. of 135 complaints received in the year. Thirdly, the report fully supported current Association of Chief Police Officers operational guidelines on the use of CS spray, noting that complaints were more likely to arise when officers used the spray outside proper guidelines.

Both ACPO and the Government fully accept the need for CS spray to be used within both the legal framework and the operational guidelines. The guidelines already draw attention to dealing with suspects who may be mentally disordered, and call for a sensitive response in such cases; indeed, the Royal College of Psychiatrists was consulted about the current version of the guidelines. However, it is not always easily apparent to an officer on the street whether a suspect's aggression arises from a mental disorder.

ACPO guidelines on the use of force emphasise the need for a graded and appropriate response when dealing with situations of conflict and aggression. Both in guidance and in training, officers are encouraged to deal with problems verbally wherever possible, turning to the use of force only when and if it becomes necessary. That is a matter for the independent judgment of officers dealing with particular situations.

My hon. Friend raised the issue of the use of CS on young people. Current guidelines place no specific restriction on the use of CS in respect of young people, but the "reasonable force" factor is clearly important: a well built and aggressive youth may present a genuine threat to a police officer or member of the public. An officer might judge that the use of CS is the most appropriate means of restraining or detaining such a youth, but that it is less appropriate in respect of a younger person who is more easily restrained.

ACPO guidelines also address the question of the mentally ill and make it clear that, if a person's violent behaviour is due to mental illness, mental health professionals should, where possible, be consulted about options for any use of force. However, that is not always possible. It is also suggested that friends and family be consulted wherever possible, if the use of CS spray is being considered. Again, in certain circumstances, desirable as such consultation might be, it is not always possible for an officer to do that.

There will be occasions where it is not clear that a person's aggressive or violent behaviour arises from mental illness, or where the use of CS is nevertheless necessary, even though it is known that the person is mentally ill. The decision to use the spray must rest with the officer concerned, taking account of all the circumstances. Both Ministers and ACPO have stressed the need for CS to be used only within the operational guidelines.

Much has been said about the cases in which people have died following incidents in which CS spray was used, but as the PCA report makes clear, there is no evidence to link the use of CS with the cause of death in any of those cases. Indeed in France, where CS has been in use for some 14 years, no death has ever been attributed to CS spray.

It is clearly right that when the use of force is necessary, police officers should have a number of options available to defend themselves and members of the public. CS spray provides one option to incapacitate and possibly disarm an assailant without causing lasting damage. It must be compared with the damage that can be caused by physical restraint and the use of batons. It is right that the police service should have this protection available to them, and the Government continue to support its use.

We want our police officers to have the protection and the ability to defend themselves and members of the public. We want to provide them with the back-up that they need. We want to ensure that if they feel that it is necessary to protect themselves through the use of CS spray within the guidelines, they will have the support of Ministers.

Question put and agreed to.

Adjourned accordingly at four minutes to Three o'clock.

Westminster Hall

Tuesday 2 May 2000

[MR. MICHAEL LORD *in the Chair*]

Cyprus

Motion made, and Question proposed, That the sitting be now adjourned.—[*Mr. Jamieson.*]

10 am

Mr. Tom Cox (Tooting): I declare an interest. I chair the Commonwealth Parliamentary Association Cyprus group. The group has existed for many years, and its members come from both Houses and all political parties.

Three things need to be said. First, the Republic of Cyprus is a member of the Commonwealth. Secondly, the United Kingdom is one of the guarantor powers for Cyprus. Thirdly, it is nearly 26 years since the Republic of Cyprus was brutally invaded by the Turkish army and about a third of that Commonwealth country is still occupied by a foreign power.

My hon. Friend the Minister will be fully aware of all that has taken place during those 26 years—the United Nations debates, and the statements made by the Secretaries-General of the UN; the actions of Commonwealth countries; the debates in the European Union; the role of the Council of Europe, the only European parliamentary assembly of which the four countries directly involved—Cyprus, the United Kingdom, Greece and Turkey—are members; and the role played by Parliament.

Other than the House of Representatives in Cyprus, few parliaments have been more involved in Cyprus than that of the United Kingdom. During those 26 years, both Houses of Parliament have acted to keep the issue of Cyprus alive. Sadly, although we have kept in the forefront the injustice that Cyprus has suffered and still suffers, we have not made much progress towards a settlement.

The reason for that lack of progress—it has been said repeatedly by the Secretaries-General of the United Nations—is the attitude of Mr. Denktash, the leader of the Turkish Cypriots, and of his friends among the Turkish military, Turkish politicians and the Turkish Government. Mr. Denktash and his friends have never wanted a settlement other than on their terms.

I do not believe that the Governments of the United Kingdom and of the United States of America have really pressed Mr. Denktash or Turkey into meaningful discussions such as could have led to a settlement. One cannot say that, over the years, there have not been many attempts to achieve such a settlement. Hon. Members involved in the matter, of whatever party, have always stated clearly that we are as concerned for the rights and security of Turkish Cypriots as we are for those of Greek Cypriots. We are equally concerned about both communities because their home is in Cyprus. Sadly, what has happened over the years shows that we have not made much progress.

We all wish the current talks well. My hon. Friend the Minister knows that after Helsinki we were clearly told that the current talks would be the breakthrough. I will make further points about the Helsinki discussions, which we genuinely believed would make a breakthrough. One hopes that one will be made now. As those of us who have followed the Cyprus issue over the years know only too well, our hopes have many times been built up and then caused to collapse by the attitude of Mr. Denktash.

Famagusta is a case in point. It was, and still is, one of the most beautiful towns in Cyprus. Before the invasion, it was occupied by both Greek and Turkish Cypriots. After the invasion, Mr. Denktash promised that the town would be returned to the Republic of Cyprus. Some years ago, I initiated a debate on the town in the House. Mr. Denktash clearly promised that the town would be returned and that Greek and Turkish Cypriots could once again start to live together there, as they had before the invasion. What happened then? Mr. Denktash decided that he was not prepared to allow the return of Famagusta, which is still a deserted ghost town some 26 years after the invasion. It is an utter disgrace that these circumstances have been allowed to continue. Neither the British nor the Americans did anything to pressurise Turkey or Mr. Denktash to honour the clear commitment that was given.

We know that the Republic of Cyprus is keen to become a member of the European Union. I put it to my hon. Friend the Minister that the credentials of the Republic of Cyprus are as good as those of many of the existing members and certainly as good as those of any of the applicants currently under consideration for membership. Not once, not twice, but repeatedly, President Clerides has invited Mr. Denktash to join him in the negotiations for membership of the Republic of Cyprus in the European Union. What does Mr. Denktash repeatedly reply? He says "No, no, no." Instead of participating, he makes demands and says that they must be fulfilled before he would even consider taking up the generous offer to be part of the Cyprus team and to take part in discussions for membership of the European Union. Mr. Denktash makes demands such as "Recognise my state"—a state that he created some years ago. After all those years, only Turkey recognises it. He also says that Turkey must be allowed into the European Union before Cyprus if he is to go along with President Clerides. Sadly, that demand is yet another example of what those of us who have long been involved in the Cyprus issue have seen over the years.

I am sure that my hon. Friend the Minister is aware of the Loizidou case. Mrs. Loizidou lived in Kyrenia, which is now in the occupied area of northern Cyprus. She took action in the European Court of Human Rights regarding the denial of the use of her property. The judges heard the case in Strasbourg as long ago as July 1998. They found by 15 votes to two in favour of Mrs. Loizidou. Repeated attempts have been made by the Council of Europe and by the chairman in office of the Committee of Ministers to persuade Turkey to honour that judgment.

My hon. Friend the Minister will be aware that, recently, in Strasbourg, the Irish Foreign Minister, Mr. Brian Cowen, was asked for the view of the Committee of Ministers of Turkey's continuing refusal to honour the Court's judgment. He left the Parliamentary Assembly of the Council of Europe in no doubt when he said that that refusal could not be allowed to continue indefinitely.

[Mr. Tom Cox]

What are the Government doing to impress on Turkey that, if it wants to be considered as a candidate for membership of the European Union, it must start to honour and follow certain actions, none more so than the judgment of the European Court of Human Rights, made by 15 votes to two?

All of us who have been involved with Cyprus, whatever party we belong to, have worked genuinely for a settlement in which the rights of both communities are considered and safeguarded. However, we have seen our hopes destroyed year by year because of Mr. Denktash's lack of will. I hope that my hon. Friend the Minister will offer us an example of an action by either Mr. Denktash or Turkey since the invasion nearly 26 years ago that would say yes, they have had concerns but, to their credit, they are making moves that suggest that they want a settlement. I hope that he will do that, because many of us have struggled in vain to find such an example in the actions of Mr. Denktash, the Turkish military or Turkish politicians.

No one can dispute that Turkey has great influence over Mr. Denktash—there is clear evidence of that. By using that influence to persuade him to take part in meaningful discussions, Turkey would help itself greatly in its aspirations for membership of the European Union.

Is my hon. Friend the Minister aware that the Turkish Prime Minister, Mr. Ecevit, has gone on record as saying that there is no Cyprus problem because it was solved by the invasion 26 years ago? I want a reply on that specific point. Do the Government support that view? If they do not, I hope that we will be told so clearly this morning.

All of us who have been involved with Cyprus have always been concerned about the rights of both Greek and Turkish Cypriots. What has concerned us enormously over the years—and many Members have genuinely tried to overcome this problem—is how difficult it is for Turkish and Greek Cypriots to meet to discuss the issues that concern them and their country. We are concerned at the lack of opportunity for people such as business people, trade unionists, farmers, teachers, doctors, ordinary men and women to meet in Cyprus and say that one day there must be a settlement to this issue. There must be such discussions in the build-up to what we hope will be an honourable settlement to this long-running tragedy. Why do these people never have the opportunity to meet in Cyprus? I have to say that Mr. Denktash is the cause of the non-meeting of the communities.

It would be interesting to hear from my hon. Friend the Minister what role he feels his Department can play in getting both Turkish and Greek Cypriots to meet and discuss their concerns. I would suggest that the best place to meet is Cyprus, but if that is not possible, London or some other venue could be an option. Is this something in which he believes that his Department can play a role?

As I have already said, the British Government and the United States Government have a major role to play in seeking a settlement. However, over the years, neither of the two Governments have ever done anything that has in any way concerned or worried either Mr. Denktash or his friends in Ankara. We can see that in the on-going criticisms of the Secretaries-General of the United Nations—which I am sure that my hon. Friend has read—about the lack of progress despite repeated attempts to find a settlement.

I refuse to believe those who say that Turkish and Greek Cypriots cannot live together. There are hon. Members here today who come from areas of London and other parts of the country where both Turkish and Greek Cypriots live, work and have businesses that flourish together. The communities can live together if they are given the opportunity to do so with the proper safeguards and securities that both have the right to expect. I hope that there will be meaningful discussion at last in the talks that are about to resume following the Helsinki negotiations. Experience has shown that if those talks are to be constructive and successful the responsibility will rest not with the president of the Republic of Cyprus, but with Mr. Denktash and his supporters in Turkey, and especially the Turkish military.

After 26 years, I believe that too much time has passed and too many opportunities have been missed. This is the opportunity to restore a united Cyprus where people can live together. I hope that the British Government will be at the forefront in trying to ensure that the talks are meaningful and constructive. We hope that the talks will be the beginning of the end of this long-running, 26-year tragedy of a Commonwealth country for which the United Kingdom is one of the guarantor powers.

10.19 am

Sir Sydney Chapman (Chipping Barnet): Next month, the hon. Member for Tooting (Mr. Cox) will have represented his constituents for 30 years, and during that time he has taken an intense interest in the island of Cyprus. I pay tribute to him for that, as well as for initiating, once again, a debate on a very important issue. I remember the 30th anniversary because we both entered the House on the same day. Unfortunately, my political career has been a little less certain. After my first Parliament, I remember using the actor's phrase of being temporarily rested for five years.

The majority of Cypriots have been hopeful and patient for far too long. They are entitled to feel angry and frustrated because the panoply of diplomacy that has been trying to find a solution to the problem of the separation of that beautiful island has so far been unsuccessful. The United Kingdom has a special role to play as co-guarantor. The Commonwealth also has its responsibilities because Cyprus is an important member of the Commonwealth. The European Union, too, has responsibilities towards Cyprus, which is an applicant for membership. More certainly, we know that the United Nations has a responsibility to encourage peaceful settlements throughout the world, and it has committed troops to the island to defend the green line.

I can be brief because the hon. Member for Tooting touched on most of the issues that I wanted to mention. However, I emphasise the fact that successive Governments have tried and toiled to find a solution for Cyprus, so far without success. In another debate on Cyprus 18 months ago, I observed that, at that time, we were investing high hopes in three people: Sir David Hannay, a most distinguished permanent representative

of the United Kingdom at the United Nations from 1990 to 1995, who had been appointed as a special representative; Mr. Richard Holbrooke, President Clinton's special adviser; and Ann Hercus, the special representative to the Secretary-General at the United Nations. I would appreciate the Minister's observations on what part he feels that those three special representatives have played and on what prospects he believes there are for that work to be continued to successful fruition. I have consistently held the view that the best prospect for the reunification of Cyprus will be as part of a wider political settlement in the region, and I believe that the United States Government have a critical part to play in that.

As has already been mentioned, Cyprus has applied to join the European Union. I can think of no country outside the European Union better qualified to become a member. Indeed, should Cyprus also want to join the single currency, I believe that its credentials are probably stronger than those of some other countries that have already joined.

Mr. Andrew Love (Edmonton): Does the hon. Gentleman agree that the European Community should not allow any outside country to have a veto over the decision whether Cyprus should be allowed to join?

Sir Sydney Chapman: It would perhaps be better for the Minister to answer that question—my understanding is that no country outside the European Union could veto the decision to allow any applicant country to join and it is entirely a matter for existing members—but the hon. Gentleman makes a good point.

Cyprus is well qualified; it could join tomorrow. I suppose that it will wait patiently until at least the end of 2002, but if ever there was a case for using the fast track, Cyprus is it. I pay tribute to the Cypriot high commissioner in London, Mr. Michael Attalides, the embodiment of patience and courtliness, who will soon leave his office to return to Cyprus. I pay tribute to him for listening to us and keeping us informed about the latest situation in his country.

I note that yet another intergovernmental conference of the European Union will take place in December in Nice. Whatever is discussed and decided at that conference, I very much hope that Cyprus's membership of the European Union will not be prejudiced or delayed. I leave the Chamber with the following thought: in the proposals to the preparatory group on institutional and other issues, the Cyprus Government expressed the belief that—I hope that, in quoting indirectly, I shall not affect the thrust of what was said—levels of decision making, at European Union and at national level, need to be clarified in accordance with subsidiarity. I do not claim to have put the Syd into subsidiarity, but on that issue at least, my views are entirely at one with those of the Cypriot Government.

10.26 am

Ms Linda Perham (Ilford, North): Like the hon. Member for Chipping Barnet (Sir S. Chapman), I pay warm tribute to my hon. Friend the Member for Tooting (Mr. Cox), chair of the Commonwealth Parliamentary Association Cyprus group, for his tireless championing of a peaceful settlement in Cyprus. Only a short while ago, he introduced an Adjournment debate on the case of Mrs. Loizidou, whom he mentioned in his speech, the property owner in Kyrenia who, nearly two years ago, won her case against the Turkish Government at the European Court of Human Rights.

Before I was elected to the House of Commons, I confess that I was more interested in Cyprus's past than its future. Having studied for a degree in classics and having steeped myself in the glories of Greece, to me, Cyprus was the birthplace of Aphrodite, the goddess of love, and the repository of thousands of years of history—ancient places and buildings, some of which it was my great pleasure to visit during two family holidays, in 1991 and 1993. On that second holiday, the reality of the present situation in Cyprus was brought home to me on a visit to Nicosia, the last divided capital in the world. For me and my family, the pain of being faced with barriers of barbed wire, soldiers and guns, forcing apart the people of that beautiful city, the capital for 1,000 years, was palpable. We later journeyed to Famagusta, which my hon. Friend mentioned with great passion and anger, to look out on the ghost town of the once idyllic resort of Varosha, with its now abandoned towering hotels.

During my election campaign in Ilford, North, I received help from several Greek Cypriots. There are also several Turkish Cypriot families resident in the area. On my election to Parliament, the friends of Cyprus was one of the first all-party groups that I joined. I attended almost all its meetings and listened to a wide range of people who are working for peace on the island, including Mr. Attalides, who was mentioned by the hon. Member for Chipping Barnet. I, too, regret the fact that he is leaving his post. There is no substitute for witnessing the situation at first hand, so I was privileged to join the visit of the friends of Cyprus from 11 to 15 October 1998, which I have declared in the Register of Members' Interests.

We engaged in a hectic round of talks to discuss the future of Cyprus with the then special representative, Ann Hercus, the British high commissioner, the European Union ambassador to Cyprus, President Clerides, Foreign Minister Kassoulides, the EU negotiator, former President Vassiliou—who recently addressed a meeting of the friends of Cyprus—the mayor of Nicosia, the Chairman of the Foreign Affairs Committee, the director of the Cyprus question division at the Foreign Office and several Opposition leaders. The prevailing Greek Cypriot view was and is in favour of a bi-zonal, bi-communal federation on track to become part of the European Union in the next phase. That is also the UN Security Council's view: paragraph 11 of resolution 1251 of 29 June 1999 reaffirms its position that

> a Cyprus settlement must be based on a State of Cyprus with a single sovereignty and international personality and a single citizenship, with its independence and territorial integrity safeguarded, and comprising two politically equal communities as described in the relevant Security Council resolutions, in a bi-communal and bi-zonal federation, and that such a settlement must exclude union in whole or in part with any other country or any form of partition or secession.

Greek Cypriots are also concerned about the presence in the north of the island of settlers from Turkey—who number about half the population—and about the 30,000 Turkish troops on the island. They are

[Ms Linda Perham]

particularly worried about the cessation of bi-communal on-island contacts, which my hon. Friend the Member for Tooting mentioned.

During our visit, we met Turkish Cypriots across the green line and had talks with leaders of Opposition parties. In addition, we met two members of Mr. Denktash's ruling party, Mr. Olgun and Mr. Atun—the Speaker of the Turkish Cypriot Assembly—who strongly supported Mr. Denktash's proposal of 31 August 1998 to establish a confederation of two sovereign states on the island, with a special relationship between the Republic of Cyprus and Greece, and between the northern state and Turkey. According to the February 2000 edition of *Kibris*—the northern Cyprus monthly—that remains Mr. Denktash's position. We have no doubt about that.

We also met Turkish Cypriot leaders and representatives—business people, academics, lawyers and other professionals—and were left in no doubt about the fact that they saw themselves as living in a de facto separate state, saved by the Turkish army of occupation of July 1974 from annihilation as a community following 11 years of Greek persecution that started in December 1963. They saw any moves to reunite the island as a threat to their security and felt that they were being forced by lack of world recognition to rely increasingly on Turkey for support for their survival, economically and politically.

Despite my instinctive academic and cultural sympathies with Greeks and Greek Cypriots, I found it immensely valuable and informative to speak to Turkish Cypriots on the island, including women—particularly as I was the only woman Member of Parliament in the delegation—about their ideas, hopes and fears for the country's future, and to listen to their views about how they and the inhabitants of Muslim Turkey are treated by Christian-dominated, hellenophilic western Europeans, who are always conscious of their ancient debt to Greece for the roots of their civilisation and heritage.

At the end of our long day of talks in northern Nicosia, some of us were taken to meet a Turkish Cypriot Member of Parliament in the Famagusta area, and I was able to look—from the other direction from when I was on holiday five years previously—towards the forlorn facades, empty hulks of hotels and deserted sands that once swarmed with happy holidaymakers. Apart from the green line area, there is no more poignant reminder of the waste and misery of the divided communities.

It is all too easy to be pessimistic about prospects for peace in Cyprus. I think that the speeches by my hon. Friend the Member for Tooting and the hon. Member for Chipping Barnet showed that they are fairly pessimistic after such a long time, and I do not blame them. Although the tragic situation in Cyprus is unique, the seeds of conflict have religious and political parallels, ancient and modern. Some people say that we will never reconcile Catholic and Protestant, Christian and Jew, Muslim and Christian, Pole and Russian, Arab and Israeli, or Greek and Turk—the differences and divisions stretch back over centuries. Just two years ago, I, like many hon. Members and others, held a gloomy view of the prospects for peace settlements in Ireland and the middle east, but some of the players in those conflicts, in the countries concerned and internationally, have made determined and sustained efforts to find ways in which to forge forward. I hope that the same will be achieved in Cyprus.

Greek-Turkish relations have improved following the mutual assistance given after the earthquake of 17 August 1999 in north-west Turkey between Izmit and Bursa, and that in Athens in September 1999. At the Helsinki summit in December 1999, Turkey was accepted as a candidate for European Union membership, which was a significant step forward from the setback two years ago in Luxembourg, when Turkey's application was refused. That led to a worsening of relations between the two communities on Cyprus, and the ending of bi-communal on-island contacts.

At the beginning of December 1999, the proximity talks started at the United Nations in New York, and a second round was held from late January to early February in Geneva, aimed at preparing the ground for comprehensive negotiations on a settlement involving the leaders of both communities, Glafcos Clerides and Rauf Denktash, although they have not met face to face. The third round is expected to start on 23 May, three weeks today.

The Greek Minister George Papandreou and the Turkish Minister Ismail Cem met at the beginning of this year to sign agreements on environmental protection, tourism, crime and terrorism, and investment. They even discussed a proposal for a joint bid for the European football championships in 2008. As the late Bill Shankly said that football was more important than matters of life and death, that must give us serious hope of a lasting rapprochement between Greece and Turkey.

I look forward to returning with my family to the ancient and beautiful land of Cyprus when it is a prosperous, peaceful, united island where all Cypriots enjoy success and happiness.

10.36 am

Dr. Rudi Vis (Finchley and Golders Green): Like my hon. Friend the Member for Tooting (Mr. Cox), I declare an interest, because I belong to various groups associated with Cyprus. It is always a bit of a shock to follow him in a debate, because he leaves little for others to say. He was followed by the hon. Member for Chipping Barnet (Sir S. Chapman), who is equally well informed, as is my hon. Friend the Member for Ilford, North (Ms Perham).

It could be argued that one becomes associated with an issue only when one becomes a Member of Parliament, but in the road in which I have lived for more than 20 years, there are about 80 properties, of which people from Cyprus occupy 25 per cent. Of those people, 23 per cent. are from the Greek Cypriot part, and only one family is from the other part of the island, but they get along fine. In north London, I see Greek and Turkish Cypriots at many meetings, and they get on fine. Their problem is not with one another but with Turkey—Anatolians, not Cypriots.

Turkey invaded in 1974. I think that my hon. Friend the Member for Tooting mentioned the occupied part, which constitutes 37 per cent. of the island. In 1974, far

less of the population—18 per cent.—was Turkish Cypriot. It would appear that somebody just drew the green line on a map and stopped there. I believe that my hon. Friend got one thing wrong: Turkey is not alone in recognising the occupied territory as an independent republic, as it is in the fine company of North Korea, which I believe has also recognised the country.

However, the occupied land is not a generally recognised republic. I do not want to oppose the United Kingdom's freedom of expression, which is absolutely wonderful, but I become a little upset when I see several tents flying flags of the occupied part as I drive past No. 10 Downing street every day. We ought to do something about that, although that may be the wrong thing to say from the point of view of freedom of expression.

I am an optimist, but I can understand the people of Cyprus becoming pessimistic. There are several underlying causes of that pessimism. The Loizidou case in the European Court of Human Rights has already been referred to. It transpired about 20 months ago. Member states of the Council of Europe should listen to the court, but it appears that they have not done so and do not intend to. There are two interesting elements about the Loizidou case. First, the European Court of Human Rights pronounced not against Mr. Denktash or the occupied territory but against Turkey. Secondly, £340,000 was awarded not because that was the value of the woman's house, but because she did not have the benefit or the pleasure of being able to use her home. Even if it is settled, it still remains her property. I can understand people from Cyprus thinking that the Council of Europe, the United States and the United Kingdom do not listen, because Turkey has not been taken to task over the case. They must wonder what we are up to.

Another important issue is the Ilisu dam. As a country, we are to invest up to £200 million of taxpayers' money in a dam project in Turkey that will flood hundreds of Kurdish villages. Once again, we allow Turkey to get away with it. The wider Kurdish issue is another cause of pessimism. There have been many instances of human rights abuses, yet again we allow Turkey to get away with it. This country, in common with other western European countries, has to take hundreds if not thousands of asylum seekers from Turkey because Turkey, a member of the Council of Europe, treats people so badly.

Turkey is now an aspirant member of the European Union, following negotiations in Helsinki in November 1999. My hon. Friend the Member for Tooting suggested that those negotiations should not have started and that we should not have given the green light once again to the Republic of Turkey—a republic that follows none of the rules that should be followed in international quarters. I understand that we have not yet started negotiations or opened a chapter on EU membership. No chapter should be opened until the serious issues that have been discussed this morning have been resolved.

Mr. Deputy Speaker (Mr. Nicholas Winterton): Before I call the next speaker, I note that three hon. Members have caught my eye and wish to speak before I call the Front-Bench winding-up speeches. If we are all responsible and succinct, I am sure that all those who wish to speak can do so.

10.43 am

Mr. Andrew Love (Edmonton): I will indeed try to be responsible this morning, Mr. Deputy Speaker.

I add my congratulations to my hon. Friend the Member for Tooting (Mr. Cox) on securing today's debate. Congratulations are also due to the high commissioner, who is going on to higher things. We shall doubtless meet him regularly in future. I declare an interest as someone who makes regular visits to Cyprus, all of which are declared in the Register.

Comparisons are often made between Cyprus and Northern Ireland. Although it would be invidious to take those comparisons too far, I will illustrate two aspects of the Cyprus situation. The achievement of the Good Friday agreement needed the undivided support of what I would call the guarantor powers—the Governments of Britain and the Republic of Ireland. Perhaps even more important to its success was the undivided support of the United States Government. There is no doubt that America's support would help in achieving agreement between the two sides in Cyprus.

However, there are many differences between Northern Ireland and Cyprus. Many people thought that it would be almost impossible to bridge the wide gap between the Unionist and nationalist positions in Northern Ireland. At the outset, no one knew how agreement would come about, but it happened through negotiation. Cyprus has been involved in negotiations for many years and the outlines of an agreement that could help to achieve a lasting settlement of the island's dispute are already there.

We spoke earlier about the United Nations' involvement in Cyprus going back to 1963. The UN became involved in negotiations following the invasion of Cyprus in 1974. The organisation played a role in the high-level agreements of 1977 and 1979, which were signed by Mr. Denktash on behalf of the Turkish Cypriot community, and the Presidents of the Republic of Cyprus at those times. We have spoken of the unity, independence and sovereignty of Cyprus and of its having a single personality. That is critical to any agreement, but we all realise that security for everyone is another critical issue. There is a role for the former guarantor powers and the European Community, and perhaps for the United States. Security is critical for not only Cyprus but the whole region. Therefore, the people must have confidence that security guarantees will hold if an agreement is reached.

Political equality was the second issue raised in subsequent negotiations, which were held mainly in the 1980s. Political equality is a concept rather than something that can be put together arithmetically, but it is an important concept in terms of giving both communities on the island confidence that an agreement can be reached. We all wish the UN well in the negotiations that will begin later this month in New York state. The organisation has been involved in negotiations over Cyprus for a long time. Often, when we thought that the negotiations were about to succeed, we were left disappointed. However, the outlines of an agreement, which could come about with the support of all the parties, are there.

We have spoken this morning about Cyprus's application for membership of the EC. My hon. Friend the Member for Tooting said that its credentials were

[Mr. Andrew Love]

good. They are indeed good. I understand that its negotiations on the acquis communautaire are almost complete. I have just returned from a visit to Poland, which has problems with the acquis communautaire. Such problems do not exist in Cyprus. We are often told that Cyprus already complies with the Maastricht conditions in terms of the development of its economy. Although we talk about the difficulties that an appreciating pound causes in Britain, in terms of parity with the Cyprus pound, our pound is depreciating.

The case for membership is strong and, in addition, some of us believe that the application for membership would act as a catalyst in the attempt to achieve an agreement on the reunification of the island. That can happen. The President of Cyprus has invited the Turkish Cypriot community to join in negotiations. It will be the major beneficiary of accession to the European Community. We hope that it will grasp with both hands that opportunity and the longer-term opportunity for Turkey to accede to membership of the Community. That offer, which we discussed during the President's recent visit, remains open. The Government should do what they can to persuade Mr. Denktash and the Turkish Cypriot community to become more involved in the European Union negotiations.

Two issues are critical to reaching an agreement on the reunification of the island. First, confidence-building measures, such as returning Varosha, a suburb of Famagusta, to the Greek Cypriot community and reopening Nicosia airport, have been suggested during the negotiating process. Perhaps those are too ambitious, but it is not too much to expect the United Nations and the British Government to sponsor contact between the two communities and achieve a dialogue. The lack of adequate contact and dialogue have stopped negotiations getting under way. Those factors might be critical in creating the right climate for successful negotiations.

The second critical issue is Britain's role. It is a guarantor power, which has been involved in Cyprus since 1878. It has exceptionally good relations with both communities and the many Cypriots who live in this country. Britain has a unique role because it is a member of the European Community, the Security Council and NATO—all the bodies that are crucial to finding a solution. The present situation cannot continue. The British Government need to play that critical role because of instability in the eastern Mediterranean. This is about, not just Cyprus but relations between the two states, Greece and Turkey. There needs to be a rapprochement between them to find a solution in Cyprus, but we cannot achieve that rapprochement without solving the Cyprus problem. Britain has a great role to play and the Americans also have a critical interest. If we work with the United States, in tandem with Greece and Turkey, that solution—although not possible in the next round of talks—will be open to us in future negotiations.

10.53 am

Mr. Roger Gale (North Thanet): I apologise to hon. Members for my late arrival—there were transport problems in Kent. I also have a registered interest to declare. I have travelled to Cyprus under the auspices of the municipality of Morphou and the Cypriot Brotherhood.

In my most recent visit to the Morphou rally last autumn, I was moved, on behalf of my many Greek Cypriot constituents, to meet a man whose home is just over the green line in the village of Morphou. He goes up every year before the rally to the Troodos mountains to look down on his home. He can see it but he cannot reach it because it is illegally occupied. After 26 years, that must be unacceptable internationally. There are people on both sides of that divide who cannot go home lawfully, and they ought to be able to do so.

I am the Conservative vice-chairman of the parliamentary friends of Cyprus; the Labour vice-chairman would agree that we consider ourselves to be friends of all Cypriots. We are regarded by some as spokespeople for the south, the legal regime and Greek Cypriots only, but that is quite untrue. We want Cyprus to be freely and fairly united, based on the three freedoms. We want people to be able to go home and to move freely about their homeland. We want them to seek and gain employment wherever in that homeland they choose to live or work.

An enormous amount of work has been put into seeking to achieve that settlement on just and fair terms, most significantly by President Clerides. Tribute has already been paid this morning to his excellency the high commissioner, Michael Attalides, who has done tremendous work both in Brussels and, most recently, in London. As has been said, he is going on, indubitably, to greater things. These people have a right to our support. They have a right to be backed by the guarantor powers in their endeavours to achieve a lasting and legal solution to the current hopelessly illegal situation.

The Loizidou case has been mentioned. Turkey is clearly in breach of the rulings of the European Court, which is unacceptable for a member of the Council of Europe and should be rectified. Confidence-building measures have been mentioned and some of us have been round that circuit in the past—I was going to say circus, and perhaps that is more appropriate. There is a grave danger that Varosha and Nicosia airport can be used to delay the solution, not to achieve it.

The time has come when we all, including the Government, must recognise that the situation that has prevailed in Cyprus for 26 years is not acceptable. We must stress that point as forcefully as we can in the international arena. The European Union must do that. I also believe that the Americans, who have given considerable support to Turkey, have a duty, in their own strategic interests, to recognise the wider international obligations, which, to be brutally frank, they have so far failed to do.

There are signs of hope, however. The frail and fragile rapprochement between Greece and Turkey that sprang from the earthquake has led to signs of positive movement between those two countries. The most recent medical emergency on Cyprus itself, when people were able to cross the green line to offer assistance, has helped. There is good will. President Clerides has stretched out his hand to say to the Turkish Cypriots, "We are negotiating. You will not stop us. We intend to join the European Union, but come and participate in

those negotiations." The time has come for ordinary Turkish Cypriots to seize that hand of friendship—that is what it is—and to join the negotiations and become part of a process that must inevitably happen. Successive Foreign Office Ministers have made it clear that there is no right of veto. This situation has gone on too long: a world that respects legal government cannot allow it to go on any longer.

10.59 am

Mr. Jeremy Corbyn (Islington, North): I will obey your strictures, Mr. Deputy Speaker, and be brief, accurate and helpful. I apologise for missing the opening speech of my hon. Friend the Member for Tooting (Mr. Cox). Like many people, I am constantly surprised at the advent of teachers' training days after every holiday, but the lack of child care facilities in this building is no surprise to anyone.

I have been a Member of the House of Commons since 1983 and prior to that was a member of the council in the London borough of Haringey from 1974, representing Harringay ward, which includes Green lanes, which has the highest Greek and Turkish Cypriot population in the country. I represented the ward during the period of the invasion in 1974. The solidarity in the community was remarkable; people helped refugees from both sides to be rehoused and integrated into the community. There are good community relations throughout the borough and in north London generally.

It is sad that in the past there were three borders in Europe: the iron curtain, the border between Northern Ireland and the Republic of Ireland, and the green line in Cyprus. The first has gone, the second has been reduced, and the third, unfortunately, is very much still there. Parliament must recognise that and try to understand that although the invasion was a long time ago, in 1974, the sense of anger, anguish and betrayal in the Cypriot community in this country is very strong and does not diminish with the passage of years. It will not disappear; it will haunt every British Government until there is a solution to the problem, because, as my hon. Friend the Member for Edmonton (Mr. Love) and others pointed out, as a formal colonial power, we are one of the guarantors.

The Cypriot community in Britain is much more politically involved, politically astute and politically aware now than it has been at any time in the past. This country has a political imperative to ensure that a solution is found. I do not pretend that that will be simple, but the stark reality is that Cyprus was a united island and we are one of the guarantor powers. The Turkish troops invaded and established what they would claim to be a state of their own, which no country in the world recognises, although a few might wish to recognise it. The issue is what pressure is being put on Turkish Governments. Turkey went through a military period from 1980, and it still has a poor record on human rights, which are seriously abused, and a great many Kurdish people flee the country to seek asylum in Europe and Britain.

Why do Britain, the United States and other countries pursue supportive and friendly relations with Turkey? Why do we still sell large quantities of arms to Turkey which, I am convinced, support the military structure that represses the Kurdish people? Kurdish people in the northern part of Cyprus are denied human rights. I have met, and represent, Kurdish families who escaped from Turkey to northern Cyprus believing that they would be safe and find sanctuary, but who had to flee Cyprus because of abuse by Turkish military forces, finally ending up in this country.

What is it about Turkey that is so special that it can apparently evade any international sanction despite its illegal occupation of northern Cyprus? That happens because of Turkish membership of NATO and because of lectures from Turkish leaders who say that nationalist fervour in Turkey is so great that it cannot withdraw from Cyprus without a serious loss of face; but neither of those reasons should prevent us from having a much more robust attitude towards Turkey.

I ask the Minister to tell us exactly why we continue to sell large quantities of arms to Turkey and why we are still prepared to consider underwriting a major project such as the Ilisu dam, which, if nothing else, gives a sense of approval to what the Turkish Government do, not to mention the fact that it will destroy the livelihoods of large numbers of Kurdish people in that region.

We must tell the Turkish Government that it will not be the end of everything for them if they are prepared to join in serious international negotiations to bring about an agreed and negotiated settlement in Cyprus that respects the human rights, identity and integrity of all people in Cyprus but allows people to return to their own homes. There can be nothing more humiliating for an individual than to look across the green line and see the farm or home that he or she once occupied. It is a very depressing experience for Cypriot people and I hope that this debate will serve to encourage the Government to be far more robust in their attitude to Turkey and more determined to ensure that the United Nations achieves something in Cyprus. The UN has held the line there—it has held the ceasefire, and its presence has undoubtedly saved many lives—but it is time to move on. We must ensure that the green line disappears, and that we once again see a united Cyprus and an end to misery and anguish.

I repeat that the sense of grievance, outrage and anger of the Cypriot community in the United Kingdom is not diminished by the passing of those 26 years; if anything, the bitterness and tension have increased. It is up to this Parliament and this Government to try to ensure a settlement in the foreseeable future. It is not an intractable problem, but it requires a determined effort to solve it once and for all.

11.6 am

Mr. Richard Spring (West Suffolk): I congratulate the hon. Member for Tooting (Mr. Cox) on securing this debate, and all those hon. Members who have spoken. Many of us approach the question of Cyprus with some trepidation. It is one of those contentious international issues that provoke passionate debate born of deep-seated feelings.

Cyprus and the United Kingdom have long-standing and historic ties. We are fellow members of the Commonwealth family of nations, and have ties in commerce, defence and tourism. Many Cypriots have settled in the UK, and they have greatly enriched our national life. As my hon. Friend the Member for North Thanet (Mr. Gale) observed, we can be at least a little

[Mr. Richard Spring]

optimistic about recent developments, despite the enduring impasse so correctly referred to by my hon. Friend the Member for Chipping Barnet (Sir S. Chapman).

Britain has long sought to do whatever it can to promote the interests of peace and stability on the island. A settlement would clearly be in the interests of the region. It would help Greece and Turkey to normalise their relationship. It would assist countries such as ours that have long-standing and well-established political and economic links with Cyprus. Such a settlement would clearly benefit all the communities on the island.

When Parliament has previously debated Cyprus, it has often been in the context of discouraging developments—for instance, the stand-off over the acquisition of missiles by the Government of Cyprus, and the Turkish Government's response, were disturbing. Fortunately, today's debate takes place in a somewhat warmer political climate. To some extent, that has been born out of tragedy. Last year's two devastating earthquakes helped to bring Turkey and Greece closer together, a development that had obvious repercussions for Cyprus. The genuine outpouring of concern and help among Greeks towards their Turkish neighbours was moving and praiseworthy.

The Chamber will welcome the UN initiative announced in September 1998, which was aimed at reducing tension and promoting progress towards a settlement, and resolution 1218, which endorsed the initiative. President Clerides's decision in December 1998 not to bring S300 missiles to Cyprus helped to reduce tension and to create the conditions for securing a just and lasting political settlement. The visit earlier this year of the Greek Foreign Minister to Ankara was the first such visit for 38 years. It culminated in the signing of a series of agreements on such matters as tourism, environmental protection, investment and the fight against crime and terrorism.

We are right to be cautious about expecting too much progress too soon. However, with the opening of the second round of UN-sponsored talks in January and further negotiations under UN auspices due to start in New York on 23 May, events are now moving in the right direction. Will the Minister update us on recent developments, bearing in the mind the discussions on Cyprus that took place between Kofi Annan and the Foreign Secretary during the former's visit to London in March?

The European Union has an increasingly important role to play. The Conservative party has long supported Cyprus's membership of the EU, as our European election manifesto last year made clear. Everyone wants a resolution to the division of the island, but that is not and should not be a precondition for EU membership. We also welcome the decision at Helsinki in December to grant Turkey candidate status for the first time, although also to delay formal negotiations until Turkey meets the political criteria for membership. Turkey's aspiration to join the EU is perfectly legitimate and must be judged by the same objective standards that we apply to any other candidate for membership. We are pleased that sufficient progress has been made for Turkey to be considered a candidate country and that recently Turkey was able to hold its first formal meeting with the EU in three years.

In many respects, the European Commission's latest accession report on Cyprus, published in October, is encouraging. The report showed that there had been good progress. It noted that Cyprus as a functioning market economy should be in a position to cope with the competitive pressures and market forces within the EU. It welcomed the reduction in tension in the region. It remarked on the rapid rate of economic growth combined with the containment of inflation. In the competition field, it commented on progress made on anti-trust legislation. The report also contained recommendations for improvement in areas such as structural reform and privatisation and alignment with aspects of the acquis communautaire and called for an intensive legislative programme, which has taken place in recent months.

Britain should continue to do all that it can to ease Cyprus's path into the European Union. The Conservative party welcomes the work of President Clerides in this respect and not least his introduction of market reforms. We are less concerned about progress on reform in the applicant countries themselves, including Cyprus, which is generally proceeding well, than with the EU's progress in preparing itself for enlargement. There is an urgent need for budgetary reform and recognition of the need for greater flexibility in an enlarged and diverse European Union, if such a European Union is to survive and prosper in the years ahead.

The British position on Cyprus has been clear for many years. Today, the UN's "set of ideas" for a bi-zonal, bi-communal federal government submitted in 1992 remains central to the discussion of the island's future. Only the two communities can ultimately decide what is acceptable and what is likely to last. Britain's role remains one of offering advice and providing support for the UN operations on the island and for the international attempts to mediate between the two sides. As one of the three guarantors of Cyprus, we have a special interest in the island's future. The Conservative party will continue to support the Government and the international community in attempts to bring about a lasting and peaceful settlement.

11.13 am

The Minister of State, Foreign and Commonwealth Office (Mr. Keith Vaz): I join other hon. Members in congratulating my hon. Friend the Member for Tooting (Mr. Cox) on securing this debate and on his choice of subject. The contributions that have been made demonstrate that this is a subject of great importance and relevance. I know of my hon. Friend's long interest in these matters. He has told the House that he is the chairman of the Commonwealth Parliamentary Association Cyprus group. He is also well known in the United Kingdom for his work on this issue within the Cypriot community. The hon. Member for Chipping Barnet (Sir S. Chapman) mentioned the fact that my hon. Friend has been in Parliament for 30 years. While he spoke, I counted up the years of parliamentary experience of hon. Members present. For the day after a recess, the turnout is impressive in terms of quality and

years of service. I calculate more than 100 years of parliamentary service in Westminster Hall today, and we feel all the better for it.

I want to thank the hon. Members for Chipping Barnet and for North Thanet (Mr. Gale) and my hon. Friends the Members for Ilford, North (Ms Perham), for Finchley and Golders Green (Dr. Vis), for Edmonton (Mr. Love) and for Islington, North (Mr. Corbyn) for their highly relevant contributions. I cannot deal with every one of their points but I promise that if I do not cover them in my speech I will do so in writing.

Several hon. Members asked about the Government's position regarding Famagusta. As they will know, resolution 414 of the Security Council of the United Nations of 15 September 1977 made clear the concern that moves by Turkish Cypriots to settle Famagusta would harm the prospects for a lasting solution. That remains the position. We strongly endorse the resolution and call on those concerned to act responsibly.

The Loizidou case was raised by several hon. Members. With our partners in the Council of Europe, we continue to make clear to Turkey the need to implement the court's judgment. The chairman of the Council's Committee of Ministers' Deputies wrote at the end of March 2000 to follow up the Council's earlier interim resolution calling on Turkey to implement the judgment. We supported that action and look forward to an early response from Turkey.

The outgoing high commissioner for Cyprus is in Westminster Hall watching the proceedings. I echo the glowing tributes that he has received from hon. Members.

Mr. Deputy Speaker: Order. Hon. Members should not address remarks to anyone in the Strangers Gallery. They are technically not present for the purposes of the debate.

Mr. Vaz: Of course, Mr. Deputy Speaker—I take your point completely. Had the high commissioner been here, I am sure that he would have heard what we have said. When he reads *Hansard*, he will be aware of what we have said today. I look forward to seeing him later in the week.

I am glad to say that the outlook for Cyprus at the start of the new millennium is brighter than it has been for many years. As hon. Members have said, Cyprus is engaged in two extremely important processes—the United Nations talks on a political settlement and the European Union accession negotiations. Together, the processes offer Cyprus and the international community an important chance and a challenge. The Government's hope is that we will collectively have the courage to grasp the historic opportunity now open to us. Britain remains committed to doing all that it can to assist the bringing about of a just and durable resolution of the Cyprus problem. We want the tragedy of the division of Cyprus to be overcome and we want to secure a future in which all Cypriots can enjoy peace, security and prosperity.

We are involved in a major sustained effort towards securing a comprehensive settlement in Cyprus. Important progress has been made in the past 15 months. In June 1999, the members of the G8 and the Security Council of the United Nations called for negotiations for a comprehensive settlement under the UN's auspices. That was a clear signal of the international community's desire to proceed. As hon. Members have mentioned, that led to the launch by the Secretary-General of the United Nations of UN proximity talks in December last year. The talks were aimed at preparing the ground for meaningful negotiations on a comprehensive settlement. The parties concluded a further round of talks in Geneva in February. We will be resuming discussions in New York on 23 May.

What goes on during those talks remains quite properly a matter for the United Nations and the parties involved. However, it is encouraging to have the United Nations Secretary-General's confirmation that the talks have addressed the substantive issues at the core of the Cyprus problem. We want to see a change of gear when the talks resume in May, moving towards continuous and sustained negotiations on the issues with both parties prepared to negotiate in a spirit of give and take. We have made it clear to Kofi Annan that the UK will continue to give him every support in the talks. We want decisive progress to be made in the months ahead.

I should also draw attention to the improvement of other relationships in the region, which have greatly changed from the position even a year ago. The improvements mean that discussions on Cyprus are occurring in a positive and forward-looking climate.

Hon. Members have rightly raised issues concerning Turkey. Those who read tomorrow's *Hansard* record of our proceedings may think that the debate has to some extent become a discussion of Turkey. There has been a clear rapprochement between Greece and Turkey. It has been reflected in ministerial contacts and visits and in the signature of a number of agreements on aspects of bilateral co-operation. On the very day on which I was in Athens, George Papandreou, the Greek Foreign Minister, set off after my meeting with him to go to Istanbul and Ankara to meet his opposite number, who then made the journey from Istanbul and Ankara to Athens. We in the UK and all the allies and friends of Greece and Turkey warmly welcome and support that development and we hope that it will be built on.

The decision made at the Helsinki European Council meeting by European Union partners to treat Turkey as a candidate for EU membership and to begin preparations for membership is already transforming the relationship between Turkey and the European Union. It means that all in the region are now working towards the common goal of EU membership. At the same time, Cyprus is continuing to make excellent progress in its EU accession negotiations. As we have heard today, that process is going well.

I noted the remarks of my hon. Friend the Member for Edmonton on Poland. I do not want to widen the debate to take in other countries that are applying to join the EU, but I should point out that of the 31 chapters of EU legislation in practice—the acquis communautaire—Cyprus has provisionally completed negotiations on 15. That is the greatest number of completions achieved by any candidate country. We expect negotiations on all the remaining chapters to have started by the end of the year. The Commissioner for Enlargement, Günter Verheugen, visited Cyprus in

[Mr. Vaz]

March. The visit enabled him to underline on behalf of all our European Union partners our desire for Turkish Cypriots to become a part of the process. I look forward to visiting Cyprus later this year to assess the state of the negotiations and to pay my first official visit there.

A number of hon. Members have focused on the question whether the continuing division of the island will be a bar to the EU accession of Cyprus. The British Government's position has always been clear. Like our EU partners, we have no doubts that the ideal outcome for Cyprus and for Europe would be for Cyprus to join the EU following a settlement. The European Union has always made it clear that accession should benefit Greek and Turkish Cypriots alike—that is why we strongly support the United Nations process to try to resolve the division of the island—but we do not accept that Cyprus's application should be held hostage to such a settlement.

No one would accept that a third country should have a veto over the accession of another. At the Helsinki European Council in December, Britain was successful in getting other EU member states to agree to a clear statement that a political settlement is not a precondition for Cyprus's membership of the EU. I can also confirm that Cyprus's EU accession is not linked to that of Turkey. I am happy to reaffirm that that is, and always has been, our position.

There is an enormous amount of work to do. Judging by the eloquent speeches, there is a great deal of concern among Members of Parliament and members of the community. My hon. Friend the Member for Ilford, North mentioned Aphrodite. We do not need to go that far back to know that the problem is one of the most difficult in the world. We all recognise the huge amount of preparation and careful negotiation that has to be done. The British Government are focused on supporting those who want to find a solution. As the Prime Minister, Tony Blair—

Mr. Deputy Speaker: Order. The Minister cannot refer to a Member of Parliament by name; he must use a constituency title. The Prime Minister is the right hon. Member for Sedgefield.

Mr. Vaz: I am sure that my right hon. Friend is delighted to know that he still has that title.

My right hon. Friend the Prime Minister told President Clerides that the UK will continue to support, with determination and energy, Kofi Annan and his special adviser, Alvaro de Soto, in their efforts towards achieving a settlement on the island. We will continue to work closely with Greece and Turkey and will provide our Cypriot friends with maximum encouragement and support. The Government look forward to welcoming Cyprus warmly into the EU. We hope that we will be welcoming a reunited island that ensures the future security and prosperity of all Cypriots. All hon. Members who care deeply about Cyprus will support that aim.

Mr. Deputy Speaker: We now come to the next debate. As the hon. Member for Totnes and the Minister are in their places, we can begin.

Social Services (Devon)

11.28 am

Mr. Anthony Steen (Totnes): Mr. Deputy Speaker, you are right—I am in my place. In fact, I am always in my place; the question is whether the Speaker identifies me as being there.

I am glad that I am here today and that we have managed to start a little early. I thank the Minister for being here to respond. I also thank my hon. Friend the Member for Teignbridge (Mr. Nicholls) for attending the debate. As so often happens, his train, the Great Western—the gateway to the south-west—was 40 or 45 minutes late. The main line to Devon and Cornwall is often severely disrupted and delayed. If the Minister wants members of the public no longer to travel by car but to use the train, he must ensure that the service is reliable. The Great Western train service has a bad record. It has improved of late, and I am sorry to learn that my hon. Friend was, like so many of my constituents, inconvenienced by a poor rail service.

Mr. Deputy Speaker (Mr. Nicholas Winterton): Order. The debate is not about the lateness of a rail service, but about the withdrawal of social services provision in Devon. Bearing in mind that at least one other hon. Member—it may be two—wishes to speak, I hope that the hon. Gentleman will return to the subject of the debate.

Mr. Steen: Mr. Deputy Speaker, as it is not yet 11.30 I thought that you might allow me a couple of minutes to talk about the appalling train service to the west country. Now that we are approaching 11.30, I will, of course—

Mr. Deputy Speaker: Order. The Chair sticks to the subject under debate, regardless of the time. Perhaps the hon. Gentleman will come to the subject of the debate, to which the Minister will, in due course, reply.

Mr. Steen: You may have no doubt, Mr. Deputy Speaker, that as it is now 11.30, I will speak on the subject that is tabled in my name. I am delighted to see not only my hon. Friend the Member for Teignbridge but my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning). It is a delight to have such tremendous support from the Devon team on a subject of great importance to us.

The test of a civilised society is the way in which it treats the elderly, handicapped, sick and infirm. Devon county council is spending £108 million on social services this year. That is an increase of £5.5 million over the £102.5 million spend last year for social services, and it is good news. However, the council has cut its hot meals on wheels services for not only the old but the handicapped. It argues that frozen meals are more economical than hot meals. Perhaps they are, but they are unpleasant. As a result, there is less contact for those people. Keeping old people alive may meet statutory responsibilities but it takes no account of the fact that the old and infirm like to talk to the hot meals deliverers—a point which seems to have completely escaped Devon county council. The person who delivers the hot meal is as important as the meal itself.

Devon county council has cut hot meals for 94-year-old Evelyn Bricknell of Staverton and 92-year-old Mr. John Merton of Kingsbridge. Effectively, they have been told that if they want a hot meal, they had better cook it themselves. Both Mrs. Bricknell and Mr. Merton were telephoned by a social services official and told that their hot meals entitlement would be withdrawn. Social services was to wash its hands of these frail elderly people. It cancelled Mrs. Bricknell's cleaners and her shopping help. The social services department argued that if she could manage for three days each week when hot meals were not delivered, she could jolly well cope for seven days. That was the department's logic.

Mr. Merton was told that he could have frozen meals to heat in the microwave. The snag is that he does not have a microwave. Other octogenarians have told me that they are so unsteady on their feet and, sadly, have hands that shake badly because of various illnesses, that they would not be comfortable doing what the social services department demands of them—using a microwave and cooking their own meals. If I ever make 90—which, after almost 25 years in this place, is highly unlikely—I should like to think that the least I could expect from social services would be a hot meal each day. People who have reached the age of 90 should be able to expect a little help, courtesy and support from their social services departments.

The disabled are also being targeted. Mr. Taylor of Totnes suffers from multiple sclerosis. His hot meals entitlement has been halved. Again, a Devon county council official told him, "Don't ring us, we'll ring you." They did just that, and told him that he was to join the frozen food gravy train. All that is from a county council that has an overall budget of some £500 million. We are talking not about peanuts—in fact we are talking about hot food—but about £500 million of public money, but Devon county council cannot look after its elderly. The elderly, the ill and the infirm are the victims of cuts, even though the county's social services budget has increased. I am told that the number of officials employed by Devon county council has not been cut, nor has the cost of running local authority nursing and residential homes. We do not need local authority nursing and residential homes. We need to fill private residential homes. The Liberal Democrats' priorities, however, are exactly as one would expect—like Humpty Dumpty, they are upside down and bottoms up.

The Liberal Democrats shout about increases in parking charges at railway stations, yet at the same time, they are removing cleaning and shopping help from those who have reached four score years and 10. Like the walrus and the carpenter, the Liberal Democrats shed tears profusely about the plight of the oysters and then tuck into them with relish. If the Liberal Democrats restructured services by better use of the private sector—particularly the residential and nursing homes—it could save tens of millions of pounds, but they continue to behave like old-style socialists, believing that everything run in the public sector is better, even if it costs twice as much.

The belief that the council knows best is also well illustrated by its reluctance to fund respite care. Some 250 parents in south Devon look after children with severe physical, mental and physiological difficulties. They are devoted and caring parents and, as full-time carers, they are on call 24 hours a day, seven days a week. All they ask is to be given the opportunity to devote a little more time to their partners and other children, yet social services refuses to pay a few hundred pounds per family to give those hard-pressed parents any relief.

About £750,000 was raised in Dartington from private sources to build a magnificent private home, the Robins, to offer somewhere for these handicapped children to go at weekends—provided Devon county council paid for that provision. Sadly, Devon county council has allowed the Robins to be only 10 per cent. full because it will not provide the funds for those disadvantaged children to go there at weekends to be properly looked after, to enjoy the friendship of their peer group and to allow their parents some time off. Most parents ask for only two or three weekends off a year, yet they cannot even secure that. If the children were fostered, it would cost around £40,000 a year and there is a statutory responsibility for foster parents to be given time off. It is all part of the Humpty Dumpty culture of the Liberal Democrats that everything is topsy-turvy and bottoms up.

The county council's social services department has also hit people with learning difficulties. Some such people, who do a 35-hour week in Kingsbridge, working on projects ranging from recycling to making cards, have had their £3 a week pocket money taken away. A county council that is supposed to be committed to caring for the elderly, the handicapped and the ill and to funding respite care has now removed the pocket money from kids with learning difficulties. Yet not one official has been removed and not one residential or nursing home has been cut. It is always those who are less able to cope or to look after themselves—the most vulnerable, who will not make a noise—who suffer. That is why today's debate is so important and why we should make a loud noise.

The previous Conservative Government introduced community care, which was aimed at encouraging the elderly to stay in their own homes as long as possible and to provide whatever help was needed by the local authority. Devon county council has started to withdraw its central community support facilities, displaying an appalling and devastating disregard for human life. What is even more sinister is that the county council realises that the frail and the elderly cannot survive in their own homes with no support and little human contact. Such isolation may lead to admission to a long-stay bed in a local hospital, which is funded, of course, by the Government and the national health service, not by the county council. That brings corresponding savings to the county council budget.

What is needed now is for an individual or group committed to the welfare of the elderly to take Devon county council to the High Court and to request an order for mandamus demanding that the judge directs the county council to carry out its statutory duties to provide for the old, the infirm and the handicapped. I am appalled to be a Member of Parliament in an area whose county council is privy to such neglect and heartlessness.

11.39 am

Mr. Patrick Nicholls (Teignbridge): I have been involved in the politics of the county of Devon—as a Member of Parliament and, before that, as a local

[Mr. Patrick Nicholls]

councillor—for more than a quarter of a century. However, I have never before come across such a situation. We are talking about a council that is incapable of balancing its budget, but which attempts to do so by cutting back support services and, in some cases, removing them from some of the most frail and vulnerable people in our society.

If time allowed, I could give a string of examples of where that had happened. I could talk about parents who have been told that they must give up their respite care. I could talk about centres that provide human contact for people with severe learning disabilities, but which find that their funding is being cut. Those cuts are made not for professional social work reasons, but because that is how the budget is to be balanced. It is thought that people will be in no position to complain if it is done that way.

I cannot go through all the cases because time is short, but I shall mention the case of Simeon Hayes, which can stand as an example for them all. Simeon is a young man who has been in the Larkby psychiatric unit since August 1999. He was diagnosed early on as suffering from Asperger's syndrome, which means that that psychiatric unit is not an appropriate place for him—that is no reflection on the unit. Simeon's father then tried to take up the issue of an appropriate care package for his child with Devon county council.

The correspondence in this case has been extraordinary. A letter to me stated that Simeon Hayes's father was using his connections to raise matters with me—he is a journalist. He also happens to be a constituent of mine, and I know of no rule that says that constituents cannot contact their Members of Parliament simply because they are journalists. In a letter to the Minister for School Standards, the right hon. Member for Birmingham, Yardley (Ms Morris), the county council said that Mr. Hayes was "regularly threatening judicial review". However, he mentioned it only once. Given his lack of success in bringing about action otherwise, he might well have mentioned it.

Mr. Hayes became so concerned and frustrated that he instructed a firm of solicitors who specialised in taking recalcitrant county councils to court. The firm had already successfully sued Devon county council once, and apparently believes that the council is the worst authority of its type in the country when it comes to the behaviour that we are discussing. Only when Mr. Hayes provided the county with a copy of the statement of claim and the writ drafted by counsel did it look as if there would be action.

Finally, after all that pressure, several Members of Parliament—including the hon. Member for Exeter (Mr. Bradshaw) and myself—received a letter from Devon county council on 11 April. First, it denied that the care package that Mr. Hayes had identified as being right for his son was appropriate, but it finally conceded that the package was appropriate. Mr. Hayes was informed that, on 12 April, he would be told the date on which his son could move to the Devon and Cornwall Autistic Community Trust. That is where he should have been throughout, because that was the correctly identified care package. I telephoned Simeon Hayes's father this morning to find that, even today, the right thing has not been done for Simeon Hayes. He has no date for when he will go to the appropriate placement and remains in a psychiatric unit. His father tells me that he fears the long-term effects on his son of being deprived of the correct medication and of having to take other drugs in the meantime.

My hon. Friends and I have taken up individual cases and have achieved results, but that is not good enough. It should not be necessary to take up individual cases to make the county council fulfil its responsibilities. For every case that I take up, there will be 10, 100 or 1,000 more. I should like to think that one thing will become clear as a result of today's debate. The Minister is entitled to say that the issue is primarily the responsibility of Devon county council, but Ministers know that they are ultimately responsible for everything. When it takes a journalist with the style and determination to threaten to take a county council to court to protect the life of his son, something must be done—and only Her Majesty's Government can do it.

11.44 am

Mrs. Angela Browning (Tiverton and Honiton): I congratulate my hon. Friend the Member for Totnes (Mr. Steen) on raising this important matter. As Devon Members of Parliament, we are concerned about what is going on with the social services in our county.

I begin by pointing out that, although there has been an increase in the social services budget this year, under Liberal Democrat control, council tax payers in Devon have faced an increase in the county rate of 34 per cent. in three years. The council's constant bleating that it has not got enough money does not hold water.

My hon. Friend the Member for Teignbridge (Mr. Nicholls) has given me permission to mention his constituent Simeon Hayes, whose parents also sought my advice. I, too, have a son with Asperger's syndrome, a condition on the autistic spectrum, and I am a member of the national council of the National Autistic Society. Mr. Winterton—

Mr. Deputy Speaker: Order. The hon. Lady should know that occupiers of the Chair in Westminster Hall are addressed as Mr. Deputy Speaker or Madam Deputy Speaker.

Mrs. Browning: I apologise, Mr. Deputy Speaker.

For a 14-year-old boy with Asperger's syndrome to be admitted to a psychiatric unit is an indication of his overlying mental health problems; it is outrageous that his 15th birthday was while he was in the unit. As my hon. Friend the Member for Teignbridge said, there are alternative services that can deal with that type of specialised condition in the west country; the Devon and Cornwall Autistic Community Trust in Truro, with whose services I am extremely familiar, provides exactly that sort of specialist support, yet, time and again, Devon county council social services kicked the case into the long grass, seeking another report here and another there, just to waste time. My hon. Friend said that the parents had to go to court; I recommend that they take the monstrous county council to court for the way that it has treated a 14-year-old boy.

My hon. Friend the Member for Totnes raised the matter of the elderly. It is interesting that this year, as it is pleading poverty and not being able to provide

services, Devon county council increased the fees in its residential nursing homes while at the same time expecting the private sector nursing and residential homes in Devon to survive on a 2 per cent. increase in their fees. It is all right for Devon social services to uplift its fees by some £29 a week, but not the private sector.

The whole of the Liberal Democrat-controlled council in Devon, not just the social services department, spends valuable resources on every pilot scheme, every partnership scheme, every make-work type of project that comes on to its desks, rather than focusing on delivering sharp-end services to our constituents. It is outrageous that the council produces glossy brochures to tell us about this partnership scheme or that pilot scheme when elderly people are being asked to take delivery of a month's supply of frozen meals, and to pay for them in advance, rather than on a weekly basis.

In Silverton, a rural village in my constituency in mid-Devon, one elderly gentleman took his meal at the pub every day, because the social contact was deemed to be good for him. That has now been stopped. Instead of having the support of personal contact and the appropriate package of provisions, elderly people will now have a month's supply of frozen food, and a freezer and microwave if they want it.

As my hon. Friend the Member for Totnes said, the human contact provided by someone popping in in the middle of the day with a few friendly words makes all the difference to elderly people, enabling them to stay in their own homes. Loneliness and isolation are two of the main reasons why many elderly people, as they become more frail, have to move out of their own homes and into care. Yet Devon county council is replacing that small amount of human contact in the middle of the day with a package of frozen food once a month. It is outrageous.

11.49 am

The Minister of State, Department of Health (Mr. John Hutton): Like other hon. Members, I congratulate the hon. Member for Totnes (Mr. Steen) on securing the debate. Later, I shall address specific issues relating to the financial situation in Devon and the provision of social services in the county raised by hon. Members. First, however, I shall put in context social services funding generally and Government funding for modernising social services.

As the hon. Member for Totnes rightly said, social services provide crucial support for vulnerable people, whether they be children, disabled people, the very old or the very ill. They provide a range of services to protect them, to prevent problems and to enable people to have the best possible quality of life. Nationally, some £10 billion of public money is spent on social services every year and we want to ensure that it is spent effectively. The Government's best-value policy will ensure that that happens.

The Government made the funding of social services a priority in the comprehensive spending review two years ago, the settlement for which was announced in July 1998. For the first time, we guaranteed that the funds available nationally would increase in real terms over the following three years so that local councils could plan ahead, knowing what resources would be available. Every hon. Member who spoke in the debate said that spending on social services in Devon was increasing and I shall say something about that in a moment.

In November 1998, our White Paper "Modernising Social Services" clearly set out how we expected fair, consistent and fast services to be delivered with those additional resources in partnership with local government. Both Government and councils want extra funds to have demonstrable benefits for the most vulnerable and to help people to stay in their own communities and homes for as long as possible. To achieve that objective we have introduced four new, specific grants and increased the mental health grant substantially to ensure proper support for those whose mental health problems pose the most risk to themselves and to society. We have also introduced the quality protects grant, designed to improve children's social services. We have increased the training grant for staff to carry out those essential modernising tasks in social services.

Mr. Steen: In spite of that wonderful statement, it has not worked in the Devon county council area.

Mr. Hutton: If the hon. Gentleman will be patient, I shall address the constituency issues that he raised in a moment.

The extra grants that we introduced mean that this year Devon received more than £6 million in addition to its standard spending assessment for social services. We are closely monitoring how the resources are being used in Devon and elsewhere to improve social services.

This is the second year covered by the comprehensive spending review settlement; local councils will receive an additional £492 million for social services which represents an increase of 5.6 per cent. in cash terms and more than 3 per cent. in real terms. Those substantial additional resources enabled us to increase the personal social services standard spending assessment by £425 million or 5.1 per cent. this year. The quality protects grant for children's services increased by 60 per cent., the mental health grant by £13 million and the training grant by more than £3 million. All local councils with social services responsibilities, including Devon, have benefited from those significant increases in funds.

In the time available to me, I shall address hon. Members' specific concerns. Many hon. Members raised constituency cases and if hon. Members want to raise those cases with me, I shall be more than happy, at any time, to consider them in detail. I am aware of the case of Simeon Hayes and anxious about what hon. Members said about him. I shall take a personal interest in the case and see it through.

Devon is a large council which provides social services in a large geographical area. I know that at first hand because I recently visited the county and saw the excellent work being done at the Exbank Reablement Centre, which may be in the constituency of the hon. Member for Teignbridge (Mr. Nicholls)—if it is not, I apologise to him. It is a good example of interagency working and of the type of service that should be more widely available throughout the country.

Nearly three-quarters of a million people live in Devon, mainly in a rural environment in small, diverse communities. There are eight very different district

[Mr. Hutton]

councils; Exeter city is the main conurbation and areas such as Dartmoor and Exmoor are sparsely populated. In April 1998, local government organisation created two new, additional unitary authorities, Torbay and Plymouth, which are separate from Devon county council. Devon county council fared slightly better than the national average this year in its standard spending assessment, receiving an increase of 5 per cent. compared with 4.4 per cent. nationally. Similarly, Devon's personal social services element of the standard spending assessment has increased by 5.2 per cent., slightly above the national average of 5.1 per cent.

As hon. Members have pointed out, Devon has had budgetary difficulties over a number of years. They did not all start this year or last year. The total social services budget for Devon for 1999-2000 was £111 million, not the £108 million to which the hon. Member for Totnes referred, which is its biggest social services budget ever. An overspend of between £4.5 million and £4.9 million was projected for 1998-99, but management action within the authority reduced it to £2.5 million. The reasons for the overspend were multiple. They included the complexity of the populations in Devon, excessive demand and the impact of local government reorganisation. The joint review undertaken in 1999 by social services and the Audit Commission described Devon county council as a traditional organisation with evidence of many high-quality innovative services that were not strategically joined up or consistently and equitably distributed. Those are substantial and important criticisms.

Devon has a new director of social services who arrived as the joint review findings were being reported. He reviewed Devon social services in the light of those findings. His report to the council in January identified the action that he proposed should be taken, which included a strategic financial plan to curb the projected escalating budget deficit of £9 million this financial year and to address the future budget over a three to four year period. His financial plan was agreed by all the political parties on Devon county council, including the Conservative party, which acknowledged that remedial action needed to be taken.

Mr. Nicholls: The Minister is correct that the action that had to be taken because of the maladministration of the budget received all-party support, but in no sense was all-party support given to the way that the available resources were distributed among our constituents. That is an entirely different point.

Mr. Hutton: No, I understand the difference. I said at the beginning of my remarks that I would be happy to look into individual cases that have been brought to our attention this morning. We must recognise that there were problems in the county council and all three political parties signed up to the action plan to try to address them. The plan also aimed to protect the most vulnerable people in the community. Field social work and direct service staff are not being reduced and the main cuts, as I understand it, are being directed at headquarters staff.

Mr. Steen: The Minister's speech is what one would expect. He says that the Government are giving more money to everybody, that the Liberal Democrats and Devon county council should be spending it more wisely and that all parties agreed that there would be an overspend if something drastic was not done. I pay tribute to the new director of social work who is trying to knock a few heads together, but I am concerned about the hot meals that are not being delivered to elderly people. I am concerned about the cleaning contracts that have been discontinued. I am concerned about elderly people who will be driven into the local hospital because the social services are not carrying out their duty. The Minister has not dealt with that point.

Mr. Hutton: Conservative Members took up the majority of the time in this debate and I am trying to respond to the points that were made. That is the second time that I have given way to the hon. Gentleman and I have also given way to the hon. Member for Teignbridge. I have tried to be generous, but it will almost certainly mean that I cannot deal with all the specific points that Conservative Members have made. I am more than happy to look into the hot meals service. My officials will find out exactly what the position is.

I cannot, in the remaining minutes, go into all the nooks and crannies of the arguments advanced by Conservative Members, but let me make it crystal clear that we take these criticisms seriously. We want to have high-quality services right across the country and Devon is no exception. Local people are entitled to expect that. I am concerned to hear about the low level of fee increases negotiated with the private residential care home sector. I should be very concerned if that resulted in any loss of provision or reduction in the quality of care services available to older and frail people in Devon and in the constituencies represented by the hon. Member for Totnes and his hon. Friends. We will have to see what happens there.

The introduction of the new best value arrangements will make a significant difference and will have a substantial impact on local authorities that wish to continue to preserve their role as a director. They will have to ensure that their services are directly comparable, in terms of cost and quality, to those being provided in the private sector. Unlike the hon. Members who have contributed to the debate and who want everything to be in the private sector, we take no ideological view: we believe that the quality of care, not who owns the institutions, is what matters. That is in line with people's local expectations.

I have heard the concerns expressed today about Devon's social services and I will examine them further. The hon. Member for Teignbridge is right that, at one level, these decisions are to be made by local social services managers. Councillors are accountable for those decisions. On the basis of this morning's comments, one certainly gains the impression that local elections may take place in Devon this week.

Mr. Deputy Speaker: Order. We must pass on to the next debate.

Policing (West Norfolk)

12 noon

Dr. George Turner (North-West Norfolk): I wish to bring to hon. Members' attention some of the lessons on police resourcing that should be learned, in a calmer debate, from the events surrounding the Tony Martin case and the public response to it. Tony Martin is one of my constituents, albeit living right on the border of my constituency. I am fully aware that the case is under appeal and therefore sub judice and I have had to revise my speech as a result. I shall make no comment now about the events at Bleak house or the legal case that followed. More importantly, I have censored the views of my constituents on those events and on what should happen next.

The Tony Martin case has done much to highlight police resourcing, the problems of crime in rural areas and, even more importantly, the fear of crime, which has become endemic. My personal concern about resourcing in Norfolk is, like the problem itself, of long standing. As a member of the county council for 20 years, including a period on the police authority, I witnessed first hand the way in which the previous Government consistently underfunded the police and presided over a doubling of crime. It has been particularly galling for me over recent weeks to hear those who had direct responsibility for so many years making cheap party political points, largely distorting the real issues and encouraging a disproportionate lack of confidence in the Norfolk police constabulary.

The Norfolk police force covers more than 2,000 sq m and a residential population of about 708,000 people. It is the fourth highest staffed police area in England, currently employing some 1,400 officers. However, that amounts to 1.97 police per 1,000 residents—the lowest ratio in England.

Taking shift patterns and officers on leave into account, about 107 uniformed patrol officers are on duty—one officer for every 19 sq m of the county—and officers tell me that they are unable to spend all their time outside the police station. Occasionally, they have to spend half their time in the police station. It is a thin blue line. I can confidently assert from my long experience and interaction with the police that they should be applauded and supported for their work on behalf of the people of Norfolk. They should not be lampooned as we have seen too often of late. The lampooning has not been confined to the tabloid press.

Crime statistics can be a minefield. Norfolk has had to accommodate changes in the national rules for reporting and changes in beat patterns as a result of recent reorganisation. In preparing for the debate, I took the opportunity to examine not just the crime figures for the whole of Norfolk, but those for my region of west Norfolk and the detailed DO6 beat figures, which included Bleak house within their ambit during most years. The statistics are not very revealing. There were 49 burglaries in dwellings in 1996-97. The number dropped to 37 but rose again to 56. In 1994-95, there were 95 burglaries in that beat patch.

Available figures do not justify anything like the atmosphere of crisis that has been created in recent weeks. In my division, crime is higher in density and, more importantly, higher still in relation to the number of residents in rural communities. Norfolk is not at the top of the list for crimes per head of population. Claims of a recent dramatic rise in crime in rural areas are unjustified, although I can say with confidence that the figures remain a cause for considerable concern—which has escalated recently. As rural communities have become less close knit than when I went to Norfolk—the decline in agriculture ensured that that would happen—the fear of crime has risen steadily, outstripping the pace of crime itself. I know that this fear can be every bit as damaging as crime itself.

Before setting out my thoughts on what the Government ought to do, and in anticipation of the Minister's response, I want briefly to acknowledge the fact that in the past three years the Government have at least begun to listen to what is being said in rural Norfolk and to tackle the problems of constituencies such as mine. I arrived five or 10 minutes early for my first constituency meeting and could hardly get through the doors. I had known that crime was an issue immediately after being elected. Following that meeting, I invited the Home Secretary to my constituency. I was delighted that he came early in the life of this Parliament to address a meeting at which I had invited wide representation—including the 63 or 64 parishes in my constituency. Although parliamentary sketch writers found it a source of fun, the Home Secretary admitted that the fact that 600 people turned up on a wintry Friday night to listen to, and question, him, left him in no doubt that crime was an issue for the Labour party in its new heartlands as well as its old.

More recently, the Minister came to a crowded meeting in King's Lynn town hall, and heard for himself the strength of feeling. I acknowledge that, for the first time in many years, we have a Government who are in listening mode and who have made a start. I and other honourable Members from Norfolk constituencies welcomed especially the commissioning of a study on the impact of population sparsity on the cost of policing.

The study was completed in May 1999 and is the main issue that I press on the Government today. There is a genuine need, which I vocalise on behalf of every constituent in North-West Norfolk, for the speedy implementation of the clear recommendations that arose unambiguously from the study. The simulation model that was used demonstrated a significant sparsity effect and showed that it was caused not only by the most obvious feature—officers having to travel greater distances to crimes—but because greater availability was essential in rural areas for crews to meet reasonable expectations for response times.

For the benefit of hon. Members whose constituencies have no rural hinterland I should emphasise that people living in more isolated rural areas could not, and will not, expect the same response times as those that can be expected in built-up urban areas. The study assumed that a response of 10 minutes in urban wards for urgent cases should be matched by only a 20-minute response in rural areas. However, Norfolk police strove for a 15-minute response in rural areas, and it is not clear to me that we should abandon that higher objective. Even if we accept the lower standards that are most common nationally, the study revealed an underfunding of £2.4 million in the past financial year. There can be no doubt that additional funding on that scale would significantly improve the service to my constituents. In fairness, the

[Dr. George Turner]

Government must ensure that that study is acted on, and that the long-standing underfunding of police forces, such as Norfolk police force, is addressed by no later than the spending review, which is expected to be announced later this summer.

In recent years, Norfolk police authority has been encouraged by the inspectorate

to remove its focus away from maintaining a minimum police establishment towards a business case approach of achieving agreed levels of performance.

In normal parlance, the authority is saying that too much attention has been paid to a simple head count of officers—I agree. The problem is that Norfolk police have suffered for far too long from inadequate support. Last week, I travelled with one police officer on the beat, who was driving a two-door Vauxhall Astra with 118,000 miles on the clock. I was assured that the car was due to be replaced, but what use is such a car for chasing one of the all too familiar car thieves on Norfolk roads? What use is a two-door vehicle in trying to apprehend criminals and escort them to the police station?

The beat base of the patrol in Terrington St. John was opened in 1998, one of the significant achievements of the past three years. However, on my visit, I discovered that the base did not even have a computer with a modem link to headquarters, so that transmitting information was unnecessarily outmoded and time consuming. Poor IT equipment has been a hallmark of the Norfolk police for too many years. The constables with whom I talked said that other issues of resourcing also need to be addressed. I was told that, following the arrest of a criminal, the police offers involved would need to spend a further five hours at the police station. We must deal with the issue of paperwork and provide IT systems to take the load from those who work at the sharp end of policing.

I was also asked why only the cars of the traffic police are properly equipped with stingers, which are thrown in front of cars that refuse to stop. Stingers are used in west Norfolk because of the relatively large numbers of car thefts, but the only police cars likely to be equipped with stingers are those in pursuit. Some officers asked why they, too, could not be trained to use stingers, which they could use to head off criminals and stop them from in front. Those resourcing issues in relation to cars and what is carried in them must be addressed, in addition to issues of IT equipment and back-up services for police on the beat.

In addition, I want to stress to the Minister that we must carefully consider the implications of the additional cost for rural areas of the new national communications radio system. In such a vast rural area, which covers many square miles, the cost of implementation will be substantially higher than in urban areas because of the need for extra relays. I want to know that Norfolk police will be able to afford not only the core of the new system—the minimum requirement—but the add-ons to make the system appropriate for the rural beats on which it will be used. I was disappointed recently to hear the new chairman of the police authority say that it is uncertain whether it will be able to afford those additional costs.

In dealing with the outcome of the Tony Martin case, particularly the response of the tabloid newspapers, we must give some thought to the resourcing necessary to allow us to achieve our objectives. I hope to hear my hon. Friend the Minister make a clear statement, which I can take back to my constituents, that the Government will address the police numbers game. I also press my hon. Friend to assure my constituents that that will not be done at the expense of the police being properly equipped with sensible cars, appropriate radio equipment, proper information technology and reduced paperwork. Will he assure me that, having listened and studied, the Government will now act? I want to assure my constituents that Norfolk constabulary will do an even better job for the citizens of Norfolk.

12.16 pm

The Minister of State, Home Office (Mr. Charles Clarke): I congratulate my hon. Friend the Member for North-West Norfolk (Dr. Turner) on securing this important debate. Hon. Members will know that the policing of rural areas was raised on 3 February in the police grant debate and in other debates on policing, including an Adjournment debate by the right hon. Member for South-West Norfolk (Mrs. Shephard), on 19 October 1999. I regret that the right hon. Lady cannot be here, although I am glad to see that that the hon. Members for Mid-Norfolk (Mr. Simpson) and for North Norfolk (Mr. Prior) are present.

I contrast the approach taken by my hon. Friend for North-West Norfolk with the appalling intervention made during the recess by the four Conservative Members who represent Norfolk. They issued a statement saying that, as a result of recent events, people had no confidence in Norfolk police. I take this opportunity to place on record my confidence and the confidence of the Government and of the people of Norfolk in Ken Williams, the chief constable of Norfolk and his officers. I was delighted to hear my hon. Friend pay tribute to him. I believe that he speaks also for his constituents and the people of Norfolk.

Mr. Keith Simpson (Mid-Norfolk): Having welcomed my presence and that of my hon. Friend the Member for North Norfolk (Mr. Prior), the Minister proceeded to attack us for our press statement. I wish to make it clear that we have no lack of confidence in the hard work that our police force is doing in Norfolk. We were reflecting on the fact that, during the past three years, the number of police has declined by 50 and, even with the promised additional manpower, we shall get only 16 back. That is what our constituents tell us. I hope that the Minister will be able to respond to that.

Mr. Clarke: I certainly acknowledge the problem of numbers, which has been discussed in the House at some length. I shall return to the matter later. I am glad that the hon. Gentleman made it clear that he was not seeking to express a lack of confidence in Norfolk constabulary, although that is how that statement was reported. I am delighted that he has put the record straight.

I place on record my total confidence in Ken Williams, the chief constable of Norfolk, and his officers. I believe that the recent criticisms of the force, which included offensive telephone calls being made to

police officers, were uncalled for. The force is a professional body that undertakes a difficult job, and it does it well and in a just and fair way. Norfolk constabulary has proudly held the charter mark for the past six years, which is a sign of the high standard of policing that they provide. Hon. Members should bear in mind the chief constable's guidance; his remarks are well considered and welcome.

I am very much aware of the concerns of those who live in rural areas. The Government recognise that rural communities can feel overlooked when it comes to setting plans for tackling and reducing crime. There is a perception that there is little or no crime in rural areas and that police and other interested agencies do not need to respond to events in the manner they need to in urban or inner-city areas. That perception is wrong. It is true that there is not the same volume of crime as is found elsewhere, but rural communities have different needs that must be taken into account. In the Norfolk policing plan 2000-01, the chief constable stated:

> National comparisons show that Norfolk enjoys lower crime rates and higher detection rates than two-thirds of the remaining 42 policing areas in England and Wales. It is pleasing to note that we have achieved this despite having lower levels of funding than any other force.

Nevertheless, we all—whether we live in an urban or rural area—expect to be able to live our lives free from the worry of having our person threatened, our property damaged, our freedom of movement restrained, our public spaces wrecked and our peace of mind destroyed by criminal or anti-social activity.

In order to provide some context, it might be helpful to refer to the comments of the Countryside Agency, which published a report on this recently. Mr. Ewen Cameron, the chairman of the Countryside Agency, said in an interview at the time of the report's release that he was

> Playing down this whole business of crime as an issue. It doesn't seem to me to be a real issue for rural communities. There is fear of crime—

that is the point my hon. Friend the Member for North-West Norfolk referred to a second ago—

> But there are many bigger issues.

When asked what those were, he named them as

> Transport, housing and in some areas the rural economy.

He continued:

> Rural crime is rising, but is small compared with urban crime, so one should not make too much of it despite the recent case in Norfolk.

The Countryside Agency's report quoted figures from the 1996 British crime survey for offences in 1995, when 3.9 per cent. of rural households were burgled compared with 6.3 per cent. in urban areas and 10.3 per cent. in inner-city areas. From those statistics, the report argued that people living in rural areas are less concerned about being the victims of crime than those living in other parts of the country and feel safer on their streets. Public confidence in the police is higher in rural areas than elsewhere, as is satisfaction for the service provided by the police to victims reporting crimes. The report also pointed to conflicting evidence for the belief that crime is rising in rural areas and for a sense of heightened vulnerability, especially to property crime committed by people from outside the immediate area. I mentioned the report because it is important to set the current concerns—which are real and which the Government need to address—in a reasonable context.

I now turn to the point about funding, which was raised by my hon. Friend the Member for North-West Norfolk. The Government announced their overall spending plans for the three years from April 1999 following the comprehensive spending review in July 1998. Government-supported funding for Norfolk police for the year 2000-01—the current year—will be £86.5 million, an increase of 3.6 per cent. on the previous year. Under the budget set by Norfolk police, the increase in their estimates of net revenue spending is 5.3 per cent. The provisional increase in total police spending for England and Wales as a whole is 4 per cent.

Police numbers were raised by my hon. Friend and by the hon. Member for Mid-Norfolk. We acknowledge that police numbers are an important part of a comprehensive package of measures to ensure a modern and efficient police service. The public rightly feel reassured by the visible presence of police officers on our streets, and this perception helps to reduce the fear of crime. As the hon. Member for Mid-Norfolk said in his intervention, there has been a decline of 49 in police numbers in Norfolk since March 1997, to a total of 1,382 in September 1999, but it is important to set that against an increase of 57 in the number of civilian staff during the same period.

It is important to acknowledge—as I am sure all hon. Members will—the statements made by my right hon. Friend the Home Secretary, who announced the Government's intention of allocating another 5,000 officers through the crime fighting fund. Those will be over and above the existing number of officers that would otherwise have been recruited over the next three years from April 2000. As a result of the extra £285 million provided by the Chancellor in this year's Budget, the recruitment programme will be accelerated with the aim of delivering 5,000 officers over two years rather than three. We are currently discussing with the police services and the police authorities precisely how we can best achieve that. Under that scheme, Norfolk is to receive 66 extra posts during the next two years, which is 73 per cent. of its bid. It is for the chief constable to decide how to use those extra officers. As the professional head of the police service in Norfolk, it is right that he should do so. He is extremely aware of the rural policing issues that are being raised.

My hon. Friend made a specific point about sparsity, about which there are genuine concerns. Chief constables and police authorities want the recommendations of the research report on the cost of policing rural areas to be implemented. Chief constables and police authorities have also expressed to the Home Secretary and me their desire to see the report's conclusions implemented.

Earlier this year, I met a delegation of representatives of the rural authorities that are concerned with sparsity, including my own in Norfolk. My hon. Friend the Member for North-West Norfolk will have seen my letter to the editor of the *Eastern Daily Press*, in which I emphasised my belief that Norfolk police authority is right to make the case for the cost of policing sparse areas to be taken into account in the police funding formula. The Government arranged independent research when they came to power, and, as my hon.

[Mr. Clarke]

Friend said, they published the results last year. As I have said in the House and elsewhere, the case has great force and is being fully considered. The findings of the research report were considered by a Home Office-led group, including representatives of the police in their various forms. There was no single view on its conclusions, but there was general agreement that a sparsity factor had been detected in respect of the resources and police time needed to respond to calls for service and that it had arisen for the sorts of reasons described by my hon. Friend. Perhaps unsurprisingly, as redistribution of the resources would be at the expense of metropolitan forces, there was less agreement about how to include it appropriately in the police funding formula.

I cannot give hon. Members a timetable today for changes to the funding formula to accommodate the recommendations of the research report. We are considering the report and we will consider carefully the best way of responding to the needs of rural areas as part of our wider review of local authority funding arrangements and in the context of the comprehensive spending review. We want to get the funding distribution mechanism right and we want it to be seen as a fair and equitable way of funding the police service in England and Wales. We are committed to doing what we can to achieve that.

In the short time that remains, I should like to comment on the importance of focusing on partnership in fighting crime. It has been suggested that the police should bear sole responsibility for all matters related to fighting crime, but the Government do not believe that that is right. We believe that local authorities and even individuals also have responsibilities to develop the right partnerships. We advise people in various ways to increase home security, which is aided by installation of alarms, provision of alarms to pensioners, locks, security systems and a variety of neighbourhood and community watch schemes. We encourage citizens to involve themselves in such initiatives, which will enhance their security and which are an important part of individuals' obligations to the society of which they are a part.

We also seek to encourage crime reduction partnerships more generally. I noticed that the west Norfolk community safety strategy, which covers the area represented by my hon. Friend, identified specific aspects of that approach in the targets set in its document for the years 1999-2002. First, it referred to target hardening and property marking to deal with burglary in isolated areas and suggested a number of initiatives that could be undertaken to deal with such problems. Secondly, it suggested a series of specific initiatives to deal with rural isolation and the effect that crime and the fear of crime have on rural communities. Thirdly, it identified the need to deal with mobile criminals and suggested the target outcomes of controlled and structured information exchange about convicted and active criminals and seamless communications with neighbouring police forces, councils and other key agencies, which is an important consideration in my hon. Friend's constituency in respect of the relationship between Norfolk, Cambridgeshire and Lincolnshire.

Mr. David Prior (North Norfolk): Will the hon. Gentleman give way?

Mr. Clarke: I shall not give way as I have only a minute or two left. I apologise to the hon. Gentleman for not doing so.

The strategy also pointed to the need to publicise detection of crime and convictions in respect of such criminals. Fourthly, it referred to farm crime and the widespread use of overt property marking of farm equipment. Such initiatives are an important part of the crime reduction partnership, and I pledge the Government to doing whatever we can to support them. We must address the partnership between individuals responsible for their own security and the police and local authorities with their respective responsibilities. That aspect has not had sufficient attention in the debate that has taken place in recent days. I want to use the opportunity today to highlight those points.

I conclude by congratulating my hon. Friend on securing the debate and by assuring all hon. Members that the Government are determined to address the issues by the sharpest and most direct means so that we can ensure that the problems of rural crime and rural safety are solved in the most effective way.

Mr. Deputy Speaker: Order. We now come to the last debate in Westminster Hall today. It concerns the Government's decision to approve the closure of Ashford hospital's accident and emergency and intensive therapy unit.

Ashford Hospital

12.30 pm

Mr. David Wilshire (Spelthorne): As you rightly say, Mr. Deputy Speaker, the debate concerns Ashford hospital. To get the record straight, I hasten to say that that is Ashford in Middlesex. The debate is part of a last attempt to prevent the closure of the hospital's accident and emergency department and the scrapping of its intensive care beds. It is a plea to the Minister to change her mind.

My case for asking the Minister to scrap the proposed cuts is this: the overwhelming majority of the people whom I represent oppose them. They would lead to poorer national health service provision for my constituents and would make the current intensive care bed shortage even worse. The case for the cuts and the assessments of the consequences are flawed. The financial cuts being insisted on are no longer necessary following the recent Budget.

The other part of my final attempt to halt the planned cuts at Ashford is the delivery to Downing street tomorrow of more than 6,000 letters addressed to the Prime Minister from my constituents urging him to change the Government's mind. In case the Minister or anyone else is tempted to try to dismiss that as a party political stunt, I should make it crystal clear before I proceed that I speak for all my 70,000 constituents, irrespective of for whom they voted. One of the letters that I will deliver to the Prime Minister tomorrow says it all far better than I can. It reads:

> My husband and I . . . have voted Labour all our lives as did our parents before us. Never, never again will we be doing so, we feel so let down by Labour over our hospital in our town that we feel physically sick.

That is not a Conservative point of view; it is a Government supporter's point of view.

I have no doubt that, once I finish my speech and the Minister comes to reply, she will again churn out the same claptrap that West Surrey health authority has been churning out. She will try to pretend that the cuts are not cuts and that they are not about to happen. Let me spell out the truth so that there can be no doubt. After the cuts have been made, Ashford hospital will no longer have an accident and emergency department and all its intensive care beds will have been scrapped. Those are cuts pure and simple, whatever the Minister says and however she tries to disguise them.

Should the cuts happen, they would fly in the face of the propaganda recently pumped out by the Secretary of State and the Prime Minister, both of whom keep saying that every accident and emergency department in the country is being improved and that more intensive care beds are being provided. The Prime Minister's recent appearance on "Breakfast with Frost" was a classic example of the propaganda that we hear week after week. He promised us all more funds for hospitals, improved accident and emergency facilities and more intensive care beds. However, that is not what is happening in my constituency. There, the exact opposite is happening. This debate is a plea to the Minister to keep the Prime Minister's promises by reversing her decision.

If the Minister follows the line taken by my local health authority and by the hospital trust concerned, I suspect that we will hear the same absurd claims that the cuts are actually service improvements. I heard that claim on the radio this morning from the chief executive of the hospital trust. Such claims are total nonsense. The truth in my constituency is that front-line services are being cut for a simple reason. The Government have ordered West Surrey health authority to make cuts worth £20 million over the next three years. The real purpose of the cuts at Ashford hospital is the saving of £3.6 million. There can be no nonsense about service improvements and no claptrap about what will happen. The truth is simple—the cuts are being made to save £3.6 million. It is madness to try to pretend that one can improve services while making cuts of that magnitude. It is nonsense.

If I read my crystal ball correctly, the Minister may again treat us to the spurious claim that the Royal College of Surgeons is refusing to recognise Ashford's accident and emergency department. That is not true. That is not what was said when it conducted an inspection recently. The story is pure speculation with no facts to back it up.

According to the claims made in this year's Budget speech, cuts in the NHS should no longer be necessary. I think that that is what we heard said in the House. I had a letter boasting that my local health authority was to receive an additional £7.5 million, but a string is attached to that: the Secretary of State insists that all the money goes to primary care groups for new services. My plea to the Minister today is for her to rescind that decision and to allow West Surrey health authority to use the additional money to stop the cuts at Ashford hospital.

Mention of the Budget leads me to consider the timing of the Minister's announcement that the cuts will go ahead. She made the announcement on Budget day, which was deeply cynical. It was a cynical attempt to try to hide the cuts behind the publicity bound to be given to the Budget. My reading of that cynical manoeuvre is that it confirms that the Minister knows perfectly well that what is really happening at Ashford is something to be ashamed of, something to be hidden behind other news. That is the politics of the gutter in my book.

Fortunately for us and for Spelthorne, I and my constituents cannot and will not be spin doctored into silent acquiescence. The 6,000-plus letters that have arrived in a matter of a few days are proof that we will fight on while there is hope. We will expose the truth as we fight. I have a plea to make to the Minister and to the Prime Minister tomorrow. If they are not prepared to listen to the pleas of a Conservative Member, I ask them please to listen to my constituents, 19,000 of whom voted for the Government.

Let us turn to what has happened since the Minister approved the cuts. Not only have the Government been trying to hide the truth behind the Budget but my local health authority and local hospital trust have been telling lies, pure and simple. Adverts were placed in a local newspaper that cost close to £6,000. That money could and should have been spent on providing services to my constituents, not on putting lying propaganda in newspapers.

In letters to me and others, the health authority and the trust have deliberately tried to mislead my constituents. I have therefore reported their advert to the Advertising Standards Authority, which has launched a formal investigation.

[Mr. David Wilshire]

The advert says that

Ashford's A&E Will Not Close.

That is a lie. The Royal College of Surgeons and the Audit Commission confirm that a hospital cannot have an accident and emergency department without an on-site intensive care unit. All Ashford's intensive care beds are being scrapped. There will be no accident and emergency department and it is a lie to claim that there will be. Curiously, the entire full-page advert, through all its propaganda and lies, forgets to mention that all the intensive care beds are being closed. I can only speculate as to why that little oversight took place.

The advert tries to pass off the downgraded replacement facility as an A and E department in all but name. That is another lie. The facility cannot be that, for the reason that I gave, and it will not be. The Minister's decision letter to me, and the NHS executive's press release, both dated 21 March, make it crystal clear that Ashford's A and E department will be closed and replaced by an urgent treatment centre. That is the truth that the local health authority is not prepared to admit.

Another lie is doing the rounds. In an open letter to me, which found its way into the press, the health authority's chief executive said that the proposed replacement for Ashford's A and E department was "tried and tested". However, in a subsequent personal letter to me, she said that there was

nothing absolutely comparable with the planned Ashford model.

How can the service be tried and tested if there is nothing with which to compare it? That is another lie. My plea to the Minister is that she tell her officials and managers to cut out the lies and stick to the truth.

I met the Minister before she decided to approve the cuts and told her that the health authority had got it wrong and that its proposals were flawed. Clearly, she did not believe me, because she approved the proposals. I hope that she will change her mind after she hears what I have to say.

When we met, I told her that my constituency already had too few intensive care beds. Spelthorne has since endured a crisis caused by insufficient intensive care beds, as have many other constituencies. It would be churlish of me not to welcome the Minister's decision to provide two new intensive care beds at St. Peter's hospital, but one can do the simple arithmetic: four beds closed and two beds opened means fewer beds. My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) and I face a 25 per cent. cut in the number of intensive care beds available to our constituents.

I said to the Minister that the estimates of the number of people using the proposed urgent treatment centre were too high. I presume that she did not believe me. The London ambulance service has since confirmed that it will not take patients who might need surgery to Ashford. Therefore, the centre will not be used as much as is claimed. I also said that public transport provision from Spelthorne to St. Peter's hospital was poor and worsening. Since then, Arriva has notified the traffic commissioners that it proposes to pull out of the bus route from Staines, in my constituency, to St. Peter's. The situation was bad when we met, but it is worse now. I do not take the expectation that a free bus service might be provided very seriously. It is only a hope; there is no proof that it will happen.

When the Minister and I met, I pointed out that the cuts would inevitably lead to more cuts, but I was pooh-poohed. I have since been given a letter, dated 27 March, addressed to a constituent of mine from the health authority's chairman, in which he confirms exactly what I predicted. My guess, for what it is worth, is that the next round of cuts at Ashford is not far away and that I shall be back ere long with an Adjournment debate about the withdrawal of all in-patient mental health facilities from the Ashford site. Yet again, my constituents will be forced to go elsewhere to receive much-needed treatment.

I have given a few examples of what has been going on since the Minister and I last met, but there are many more. If we had more time, I could continue and reinforce the facts that I explained to the Minister and that were clearly dismissed. However, even the events that have happened since we met add up to an enormously powerful case for the Minister changing her mind and scrapping the cuts, instead of services.

I will give the reasons why the Minister should take this 11th-hour chance to change her mind and stop the cuts. Despite all the attempts to mislead people, the truth is that the cuts will lead to poorer NHS services for my constituents. In spite of the extra two intensive care beds at St. Peter's, the cuts will result in fewer local IC beds, which will make the recent crisis even worse. Despite all the reassurances from the health authority, its case for the cuts and its assessment of the consequences are fatally flawed. The Government continue to demand that £20 million worth of cuts are made in west Surrey, but they are no longer necessary since the Budget.

If all that is not enough to persuade the Minister to change her mind, I suggest that she listens to the voice of the people. She claims to be part of a listening Government, but she has ignored our pleas. If she ignores them again, it will prove beyond doubt that the Government are all mouth and no action.

Before Christmas, I presented to the House a petition opposing the cuts, signed by more than 25,000 of my constituents. Since then, our local community health council has lodged a formal objection to the cuts. To date, none of that has made a blind bit of difference. Therefore, I will end with the description given by one of my local accident and emergency consultants—whom the Minister has met—of the consequences of the Minister's actions. Talking about the cuts, the consultant said:

People will suffer, and some will die.

That is a statement of fact; he did not use the word "might". If the Minister will not listen to my constituents or me, will she please listen to an expert, or is she happy to have the deaths of some of my constituents on her conscience?

12.49 pm

The Parliamentary Under-Secretary of State for Health (Ms Gisela Stuart): I congratulate the hon. Member for Spelthorne (Mr. Wilshire) on securing this debate on what he chooses to call—I note this with some sadness—the Government's decision to approve the

closure of Ashford hospital's accident and emergency department and ITU. Of course, a Member of Parliament has a responsibility to represent his constituents' interests and concerns and respond actively to the proposed reorganisation of health services. I therefore congratulate the hon. Gentleman on his interest in a subject that touches the lives of so many people in all walks of life. I congratulate him also on his detailed submission on the proposed changes, and note his continued interest since the decision to modernise health services at Ashford and St. Peter's hospitals was approved.

However, having heard the hon. Gentleman today and after reading the local press account of what he said, I say only that he has simply been scaremongering. He is also in danger of doing great disservice to the NHS locally if he continues his present attack on the effect of the changes to acute services in Ashford and St. Peter's hospitals NHS trust.

This is not the first time that Opposition Members have damaged the NHS. I remind hon. Members of the position that we were in when we took office in May 1997. Record waiting lists were rising faster than ever. More importantly, and of particular relevance to the health economy in that area, the debts run up by the NHS in the year before we took over amounted to £450 million. The NHS in west Surrey alone overspent by some £18 million. The number of nurses in training had been cut and investment in buildings was at its lowest for 10 years. I will not go on.

The basis for the proposed changes to services in west Surrey—which I suspect the hon. Gentleman knows—was expert clinical advice and sound financial judgment that questioned the existing configuration.

I need to explain briefly the background to the acute services review because the hon. Gentleman seems to have conveniently forgotten to mention the main drivers of those changes—or, if he did mention them, he merely cast aspersions on the soundness of the judgments. Current and future medical developments require complex, modern and comprehensive models of health care. The modern health service is responding to demands from doctors and other health professions for skills requiring greater specialism. There is a need to deliver well-equipped hospitals with appropriate numbers of staff. Our aim is to provide the best clinical service for all the people, including the hon. Gentleman's constituents. The changes to services to Ashford and St. Peter's hospitals were therefore about the supply of doctors and their training needs and working practices. They are of the essence in the delivering of high-quality health care.

It has again been suggested that the main driver of the changes was the need for financial cuts. That was not so, although I understand the hon. Gentleman taking that line with his constituents, given the financial mess that we inherited in the NHS. The suggestion is without foundation. Money was one factor in the decision but it was not a driver. Even with the extra investment over and above that provided by the previous Government, with an allocation of more than £400 million—a cash increase of £30.2 million or 8.3 per cent—changes would still have been necessary because there was a genuine threat to the accreditation of junior doctor training posts in Ashford hospital. It had already lost accreditation for the training of junior doctors in some specialties and there was a genuine risk to others. In addition, the trust was unable to meet the requirements of the new deal for junior doctors. Without proactive measures to ensure that services were reconfigured appropriately, the position could have been critical, with unplanned changes to services having to be made. We propose a proper, planned reconfiguration which continues to meet the needs of the local population.

Mr. Philip Hammond (Runnymede and Weybridge): Will the Under-Secretary give way?

Ms Stuart: I will not give way, for two reasons. First, time is limited and, secondly, it is important to put a number of issues on record. I am delighted to see the hon. Gentleman in the Chamber. However, I understand that he did not respond formally to the consultation process. I will take this time to put a number of simple facts on record, for the simple reason that we have heard in this Chamber such terms as "nonsense", "claptrap", "propaganda" and "the politics of the gutter." I would like to put some facts on the record because such language does not help anyone.

The consultation process was set in place in 1998 with the public discussion document "Setting the Scene". Over three months we sought the views of the public, health professionals and others. The document set out clearly the reasons for change and the opportunities that it would provide for improving services locally. The health authority took account of the representations and commenced formal consultation with the launch of the document "Modernising Local Health Services" in June 1999. Consultation was undertaken at 47 public meetings and the health authority also worked closely with Ealing, Hammersmith and Hounslow health authority throughout the planning and consultation process. Some 70,000 leaflets were distributed and there were a number of briefings and meetings with borough councils, local MPs and other key stakeholders. That is consultation, not propaganda.

Mr. Hammond: The community health council objected to those proposals and many people are cynical about the attention the Government pay to them. How many times have the Government upheld CHC objections to reconfiguration plans instead of riding roughshod over them?

Ms Stuart: If the hon. Gentleman listens to the end of my speech, he will find that some changes were made as a result of that representation. The real issues here are not the assertions that have been made but how people will be affected by the changes at Ashford and St Peter's. The reasons for change were clear. At the end of the consultation, the community health council objected formally and that is why it came to Ministers. There was no doubt about the strength of local feeling. I met a large number of the stakeholders. We ended up with a configuration that we believe will serve the community well.

[Ms Stuart]

Let us examine what will happen to patients requiring urgent treatment for an emergency or an accident. Ashford will continue to have a consultant-led emergency service. Most medical emergencies will continue to be treated at Ashford hospital. The reference to the Advertising Standards Authority and the terminology was pure sophistry. It was asserted that the model has not been tested, but there is a similar model in Solihull at the Birmingham Heartlands hospital. I know that that works.

Ashford hospital will continue to deal with well over 80 per cent. of those patients who currently visit the A and E department. Those requiring admission will be admitted through the medical assessment and admissions unit on the Ashford site, which will be open 24 hours a day. Ambulances will also be able to get to the medical admissions unit and patients will be assessed and admitted promptly without going through A and E, which is an improvement. Ashford hospital will continue to receive non-trauma patients. That small number of patients who have suffered major trauma will be seen at St Peter's or other hospitals such as West Middlesex. In recognition of the extra travelling time involved, there will be additional investment in local ambulance services, with crews having additional training for pre-hospital trauma.

I turn now to the provision of intensive care. Six coronary care and high-dependency beds at Ashford hospital will provide critical care. There will also be the capability of ventilating patients on a life support machine for up to 36 hours. Patients would be stabilised if transfer were necessary. Arrangements are in place so that out-of-area transfers will no longer be needed. We listened to representations and agreed that there was insufficient critical care and that there should be two additional ITU beds at St Peter's hospital. Critical care facilities will be developed at Ashford as an integrated service. I refer the hon. Member for Spelthorne to the Audit Commission report, which made important observations, not just about the number of critical care beds, but how they are used.

Mr. Wilshire: Will the hon. Lady give way?

Ms Stuart: No, I will not.

The transfer of trauma and surgical emergencies to St Peter's or other hospitals will not only prevent the cancellation of operations but will allow far more planned services at both hospital sites. Furthermore, the improvements to the admission systems in both hospitals will mean that patients will receive a much more predictable and reliable service. It is about choice and greater certainty. We must also look at who is attending A and E departments. Some of the improvements in community services are to ensure that people do not have to go to A and E any more.

It is disingenuous to describe the changes as a loss of service. They take account of the appropriate response to emergencies. When I announced the decision I stated that transport services would be improved too. That will happen. The hon. Gentleman was wrong when he said that these changes are all about money. He was wrong when he said that Ashford hospital was under threat. He was wrong when he said that Ashford hospital would not be able to deal with emergency cases. He was wrong when he said that patients would have to wait longer for treatment and he was wrong when he said that local hospitals would not be able to cope in an emergency.

The changes are intended to ensure that patients are treated in modern, safe and appropriate surroundings. The hon. Gentleman should stop scaremongering. He is demoralising the staff and causing his constituents unnecessary anxiety. He should get behind the local NHS. He should support the reorganisation and be convinced that this will be a better and more responsive service that is more reliable and clinically effective.

Question put and agreed to.

Adjourned accordingly at One o'clock

Westminster Hall

Wednesday 3 May 2000

[MR. MICHAEL J. MARTIN *in the Chair*]

Police Numbers

Motion made, and Question proposed, That the sitting be now adjourned.—[*Mr. Clelland.*]

9.30 am

Mr. John Randall (Uxbridge): This is the first time that I have been successful in the ballot for Westminster Hall and I am delighted to initiate a debate on a subject that is important for not only my constituents, but the general population. I regret that the venue is Westminster Hall and not the main Chamber, and I hope that the relevance of what we have to say today will not be lost.

The more cynical amongst us might think that Westminster Hall, which is hidden away from the glare of publicity, has been provided as an escape valve to allow those Back Benchers who are boiling away with frustration to let off steam quietly and unobserved. I also issue a plea to the Minister to hold the annual debate on policing in London, which is overdue. There are serious questions on that issue to which the many hon. Members who represent London constituencies want answers.

The subject of police numbers is fundamental and much in the news. Crime is rising and that is of great concern to all of us. On a day when the bastion of Labour support, *The Mirror*, urges its readers to vote Conservative, the Government would do well to listen to the increasingly loud demands for action, not words, and for an end to the intolerable amount of spin emerging from the Government.

I shall begin with some general observations and then turn to the crisis in the Metropolitan police, particularly the Hillingdon division, which affects my constituency. Police numbers are falling. Between 31 March 1997—I acknowledge that that was a couple of months before the Government came in—and 31 March 2000, the total number of officers in England and Wales fell by 2,358, which represents a decrease of 1.85 per cent. Police funding is falling. The settlement for 2000-01 constitutes a small increase of £202.6 million, but police funding in real terms has fallen since 1997.

Crime is rising under the Government. Between March 1997 and March 1999, recorded crime fell from 4,545,337 to 4,481,817 incidents: a fall of 1.4 per cent. However, in the year to September 1999, the total of reported offences was 5,234,211, an increase of 2.2 per cent. on the previous year's figure.

I am not a great one for bandying such statistics around because we all know that figures can be used to give different results. However, it is worth pointing out that, under the previous Conservative Government, the total strength of the force increased by almost 15,000 between March 1979 and March 1997—an increase of 14 per cent. Sadly, between March 1997 and September 1999 there has been a decrease of 1.6 per cent. The overall fall in police strength in the year to March 1999, including seconded officers, was 0.6 per cent. That is the biggest annual fall since 1990.

Cuts in police numbers have created a real crisis in the police service. That crisis continues, and I should like to quote a few examples. In Merseyside, twice as many officers are leaving as are being recruited. In Staffordshire, there is a recruitment freeze, and there are warnings that 250 jobs will be lost as a result of a cut in the annual budget of £8 million.

A survey conducted by *The Sunday Telegraph* found that

> an area the size of an entire police force has been wiped off the map due to cuts in police numbers and budget pressures under Labour's term of office.

The worries of many people were given voice by a senior officer in a northern English city, who was reported as saying:

> We could not possibly publicise the numbers. It would destroy public confidence and would be an invitation for every criminal and his dog to come here.

My predecessor as Member of Parliament for Uxbridge, Sir Michael Shersby, was for many years the parliamentary adviser to the Police Federation. I remember attending Police Federation meetings at successive Conservative party conferences and listening to the speakers. They always gave a view of events that reflected the feelings of officers. Fred Broughton, the chairman of the Police Federation, has said:

> The hard fact is, despite Government reassurances that the fight against crime is still a top priority, the police service has witnessed the largest fall in actual police numbers since the crisis days of the mid-1970s.

That worries me. Mr. Broughton continued:

> Every police station in this country is facing anger from its community.

We in Hillingdon echo that feeling. He also said:

> Fewer officers, a rising workload and high levels of crime are combining to make the state of policing the worst I have ever known.

Between March 1992 and March 1997, the number of officers in the Metropolitan police fell by 1,477. Between March 1997 and March 2000, officer numbers fell, approximately, by a further 1,132. Under a recent funding settlement, the Metropolitan police's budget will be cut in both cash and real terms. In 1999-2000, it received £1,743.9 million. In 2000-01, it will suffer a cut in cash terms of 0.7 per cent.—a real-terms cut of 3.13 per cent.

Crime in London is rising. Between October 1997 and September 1998, and between October 1998 and September 1999, the number of recorded crimes rose by 80,285, or 8.7 per cent. In January 2000, London street crime was more than twice the January 1999 level. Muggings rose by more than a third over the past year in comparison with the previous year.

It is not only the cut in budgets that is causing the problem. All London Members of Parliament will recognise that the Metropolitan police has a real problem with regard to recruitment and retention. The financial pressures of living in London are incredible, and low morale is also detrimental to recruitment. If police numbers are to be increased, it will be necessary to help police officers with the cost of living in London—not only through London weighting and

[Mr. John Randall]

accommodation, but through a real increase in salary. The Association of Chief Police Officers now appreciates that the Metropolitan police must be regarded as a special case.

The Police Federation has warned that a significant proportion of police officers are taking second jobs to boost their incomes. Some work as adult education teachers or nurses, while many others work as minicab drivers, couriers and pizza delivery drivers. That situation cannot continue.

I turn to Hillingdon, my local borough. The Hillingdon division of the Metropolitan police has an excellent record, for which I pay tribute to the previous borough commander, Alan Shave, and the current commander, Alan Matthews. The community is working well with the police and, for the first time in many years, there is a good working relationship with the local authority. We have an active and constructive police consultative group. All three Members of Parliament, who represent two political parties, work on an all-party basis and are highly supportive of the police's work. Yesterday, when the three of us met the Metropolitan police Commissioner to lobby him about local problems, it would have been difficult to tell that we were from different parties.

What is happening in Hillingdon is similar to what is happening in the rest of London. A look at the Hillingdon crime trends for the period from 1 April to 31 July 1999 gives some idea of the position. Street crime was up by 19 per cent. Motor vehicle crime was up by 18 per cent. All violent crime was up by 11 per cent. Burglary was up by 8 per cent. Total crime was up by 15 per cent. Clearly, more police personnel are needed to combat the current increases in reported crime. But what do we have? We have more reductions, with more planned.

The council tax payers of Hillingdon want to know why, in the past three years, their precept for the Metropolitan police has gone up by 36.29 per cent., yet they are getting fewer and fewer police officers for their money. Four police stations in Hillingdon are now closed to the public or operate restricted schedules, with opening hours that generally do not include weekends, bank holidays or any hour after 6 o'clock in the evening on any day. Only Uxbridge police station is open to the public for 24 hours a day.

In my constituency and the rest of the borough, there is more than a perception that police levels have become unacceptably low. There is an argument that a decrease in police numbers does not necessarily lead to an increase in crime, and that was true for a while in Hillingdon. Various measures, such as getting officers on sick leave back to work more quickly, meant that there could be some cuts without an increase in crime figures. However, it is now felt that enough is enough.

On the subject of sick leave, it would be a mistake to give the impression that many members of the police service are sitting at home when they should be at work. Last week, I called on a police unit in Hillingdon that is doing excellent work. The officer in charge is waiting for a kidney transplant. He is seriously ill and in a great deal of pain, yet he remains at his desk, working hard. We must dispel the myth that there are many more savings to be made by getting ill police officers back on duty.

The problem is that Hillingdon is regarded as a leafy suburb, and is not given priority. Other hon. Members may wish to raise the subject of rural crime, which has its own problems. I shall speak up for the suburbs, because they are inevitably squeezed in between the inner cities and the rural populations. We are told that the suburbs can be left alone to get on with it, and that they have no problems. However, they do have great problems, and if we are not careful, they will become worse.

It is easy to be glib and we, as politicians, can come out with glib expressions from time to time. It is easy to trot out well-worn phrases such as, "We have the best police force in the world". If we really believe that—as I do—we must give the police our support. There are people who nurture strong anti-police feelings. It would be timely to remind such people in the capital that, if they want more effective policing, they should take note of the advice given in *The Mirror* today. Just under three years ago, that newspaper gave different advice, when it urged the voters of Uxbridge to vote Labour. I hope that it will have more influence today than it did then.

Mr. Deputy Speaker, I can see that other hon. Members wish to speak, so I shall conclude by quoting the chairman of the Police Federation, Glen Smyth, who has said:

> There is now a crisis. This has got to be solved, and if it is not solved, our ability to deliver is not going to be there. If the Prime Minister and the Home Secretary really want to arrest the rise in crime, they must first arrest the dramatic fall in police numbers.

9.48 am

Mrs. Gillian Shephard (South-West Norfolk): I am grateful for the chance to take part in this important debate, Mr. Deputy Speaker. My hon. Friend the Member for Uxbridge (Mr. Randall) may have described Westminster Hall as a backwater in the maelstrom of House of Commons activity. However, I believe that it is a useful debating Chamber, in which issues can be debated sensibly and rationally. There can be an exchange of views, and we can lay out our concerns in the excellent manner shown by my hon. Friend. I congratulate him on securing the debate, in which he has skilfully raised the problem of police numbers with an appropriate emphasis on its impact on his constituency.

The issues of police numbers, police effectiveness, public confidence in the police and public confidence in the legal system have been given a great deal of prominence over the past two weeks following the trial of Mr. Tony Martin, the Norfolk farmer convicted of killing a 16-year-old burglar and given a sentence of life imprisonment. Mr. Martin's property straddles the border between my constituency, South-West Norfolk, and that of the hon. Member for North-West Norfolk (Dr. Turner).

When the incident took place last August, an enormous impact was felt in the local community of Emneth in south-west Norfolk. I was given the opportunity to describe that in an Adjournment debate that I was granted in October. It was and is impossible to overstate the volume and intensity of the impact. In the wake of the reaction to the outcome of Mr. Martin's trial, Ministers and other hon. Members have had the opportunity to judge whether what I said in October was an exaggeration.

Since August, I have avoided commenting on the case, the trial or the verdict. I have been a magistrate since 1973 and would be unlikely to make any comment on a case that may be the subject of an appeal and so may be sub judice.

Mr. Deputy Speaker: Order. I can perhaps help the right hon. Lady. The matter is sub judice because there is an appeal.

Mrs. Shephard: Thank you, Mr. Deputy Speaker. I want to make it clear that it has not been my intention today or in the past to comment in the media on the case. For the avoidance of doubt, I add that the Norfolk police's handling of the matter was rapid and effective at a time when the force's resources were severely stretched by two other high-profile murder cases, one of which led to a conviction and another to an arrest. One of them took place a few miles from the site of the Tony Martin incident.

My argument throughout has been that if the public perceive that the police lack the resources to protect them and their property, they may be tempted to take the law into their own hands. I received a letter last month from the Swann family of Stowbridge. They stated:

> If the police cannot protect us (and the Chief Constable admitted that last night)—

that was a reference to a television interview—

> then we must protect ourselves.

Mr. Martin's case illustrates why that state of affairs and state of mind must be avoided.

That view is illustrated by one of many reports in the local and national press. The *Eastern Daily Press* of 26 April stated:

> in the PC's view, the shooting at Martin's...farm...could have happened within any Norfolk village because the policing cover was simply too thin to prevent it.

Mr. Kevin Allen, a retired police officer, was quoted in the article as saying that

> The aftermath of what happened at Emneth Hungate poses a fundamental question about the way in which the force is run...do we want to police rural areas or don't we?...There is no police presence to act as a discouragement, and that's the issue in West Norfolk.

Mr. Oliver Heald (North-East Hertfordshire): Does my right hon. Friend believe that closures of police stations at night and the reliance on hotlines to towns that are often a long way away adds to the anxiety of people in rural areas? Is it right that Wisbech police station no longer opens in the evening?

Mrs. Shephard: I cannot comment on Wisbech police station, which is not in my constituency; indeed, it is in a different county. However, the public are not reassured when making 999 calls to find that their calls are routed around a county, and that the people to whom they subsequently speak are not necessarily clear about the location from which the call is made. That is not reassuring.

As I said in the Adjournment debate last October, the problem has not arisen overnight. Criminals are more mobile and have improved communications. The volume of traffic has increased, and, paradoxically, the success of CCTV in many of our market towns has driven crime into the countryside. Those are some of the factors involved. However, there is no doubt that there has been a reduction in police numbers under this Government over the past three years.

My hon. Friend the Member for Uxbridge cited the reduction of 2,358 officers in the past three years which, translated into Norfolk terms, means that we have 50 fewer officers than three years ago. Norfolk has the smallest number of uniformed officers of any force in England. They do a good job with what they have, but they do not have the resources that they need.

Three times, to date, the Government have announced an increase in police numbers. They initially disputed the fact that numbers have fallen since they have been in power, but they now seem to accept what is an indisputable fact. I wonder whether the Minister will announce today that he intends to take notice of the report that his Department commissioned on rural sparsity in policing. As he knows, that is what rural police authorities, including Norfolk, are pressing for. For Norfolk, it would mean an additional £2.4 million for police on the beat.

In a letter to me, the new chairman of the Norfolk police authority states:

> The Home Office's own consultants indicated as far back as 1998 that the funding formula which distributes central Government grant to Police Authorities underestimates the true cost of patrolling rural areas.

He refers also to the point that my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) made:

> It fails to take into account the additional expense of maintaining sufficient resources available to respond to urgent calls speedily enough to bring a sense of safety and security to people living in isolated villages...Norfolk bid for 90 further officers in the recent Home Office "challenge funding" but we were only allocated 66 over a three-year period, now possibly reduced to two years. Since 1997 total officer strength has fallen by 50.

That is the view of the chairman of Norfolk police authority. The chief constable of Norfolk goes further. He is worried about perception. The Minister will say, and up to a point I agree with him, that no crude correlation exists between police numbers and the reduction of crime. He will also say, and we would all agree with him, that the management of police resources and the modernisation of their use are also vital. However, so is perception. The chief constable of Norfolk expressed his dilemma thus:

> The real difficulty for me is handling the fear of crime issues and confidence in local police. No matter how hard I try to describe how we allocate scarce resources, people are going to be sceptical because all they see are scarce numbers of police officers on the ground.

That widely accepted perception is not confined to individuals. At the end of last month, Swaffham town council in my constituency contacted me, saying:

> We write to you to express our greatest concerns...Police presence is inadequate. We are told that there are 10 constables covering our area. This has to be stretched to allow for four shifts over each 365 days of the year.

The *Fenland Citizen*, a newspaper based in Wisbech that covers a large area of my constituency, recently asked its readers two questions. One concerned the outcome of the Tony Martin trial, and I shall not quote it. The other question was, "Do you feel safe in your

[Mrs. Shephard]

own house?" to which 1,050 people have responded to date—a respectable figure by MORI poll standards. Of those who replied, 91 per cent. said that they did not feel safe in their own house. In the 21st century, such a response does not show a satisfactory state of affairs. Whatever the Minister's response, I am sure that he shares that view.

The Government will say that the Opposition want to spend more on this and more on that, and that we must be aware of the implications that that would have on public spending. However, it is a matter of priorities. Norfolk is asking for an additional £2.4 million. Recently, the Government gave £100 million to help former mining communities. If that is the Government's priority, so be it, but let them say what their priorities are. If policing in rural areas and an increase in police numbers are not their priorities, let them be open about it.

I have described events in my constituency, but I have received hundreds of letters from people throughout the country, one of which was from a serving police officer in the Devon and Cornwall constabulary. He wrote:

> Whilst I can't condone the use of "More force than is necessary", this incident—

the Martin case—

> was bound to arise. I would suggest anywhere in the country.
>
> It may or may not surprise you to know that such a large area as Okehampton has been in the past, solely policed by one officer, even Probationary female and male officers. Night and day patrols subjected to all that it implies, compounded with radios that can't be guaranteed to function due to the undulating countryside...It would appear to the rank and file officers, that senior management's time is occupied by constant appeasement to the Home office for good results figures, keeping the pressure groups that are constantly shouting that the Police are not Politically correct...happy...I hope that you do not think that I am an old embittered Police officer writing to you. I am not. It is my intention to extend a further two years beyond my time, but we lower rank officers feel so helpless at being unable to rectify the elementary shortcomings of the police service.
>
> I swore an oath for the "Protection of life and property, Prevention and detection of crime". It is becoming ever more difficult for me and my colleagues to keep that oath.
>
> I hope that somebody in your position can alter the wrong road the best Police Service in the world is now sadly taking.

I am not in any position to change that road. The Minister is.

10.4 am

Mr. Dafydd Wigley (Caernarfon): I am glad of the opportunity to take part in the debate, as the matter of police numbers is not devolved to the National Assembly in Wales, unlike the situation in Scotland. I congratulate the hon. Member for Uxbridge on raising the subject, which it is appropriate to focus on at this point.

I represent a scattered rural area; there are 93 villages, hamlets and towns within my constituency. Therefore, the rural dimension to which the right hon. Member for South-West Norfolk (Mrs. Shephard) referred is high on our agenda when considering the availability of police resources and police numbers. The rural dimension of the police service has recently received a considerable amount of attention, partly owing to the case that the right hon. Lady mentioned from her area. Therefore, it is appropriate that we give some time to that aspect, while recognising the equally important problems that arise in urban areas.

There is a strong feeling in the villages in my constituency that they do not enjoy the benefits of a truly community police service that they enjoyed a generation ago. That is not a criticism of the police; it is in some ways an inevitable consequence of the change in the patterns of life and, not least, of the rightful expectations of change that police officers have for their working patterns. In the old days, a police officer would live in the village and might be on call virtually 24 hours a day. That was unfair on the individual, who, as a consequence, might not have been able to buy his own house as he wished.

To address rightfully changing expectations, we need a significantly larger number of officers to give the same cover. We might need four or five officers to give the cover that one officer used to give in village police stations in the past. That clearly has a significant bearing on resources, and presents a challenge to police forces as to how to distribute their resources.

In my area, as in that of the right hon. Lady, we have seen the closure of village police stations. Villages, and small towns such as Nefyn in my constituency, are concerned about the possible loss of their police stations. If the Nefyn station is closed, there will not be a single police station on the northern side of the Llyn peninsula, from Caernarfon to Ynys Enlli–Bardsey island, for a distance of around 45 miles. There will not be a police station between Caernarfon and Bardsey island, and there is no station on Bardsey island either. That is clearly a matter of concern to Nefyn town council, but it is of equal concern to those who live in the area and to those who go there on holiday—the population of that area expands tremendously in the summer. One needs a police presence that is in line with the summer as well as the all-year-round demand.

There is a basic problem with sustaining locally based services and police numbers in areas such as mine. In north Wales—although technically it is in mid-Wales—Dolgellau is a centre for the police service, and yet the staffing levels are so inadequate that an appropriate inspector cannot be available 24 hours a day. Those who are arrested in the Dolgellau catchment area are taken up to Caernarfon, which is more than 40 miles away, and are held there overnight. That means that they are taken away from their families and, perhaps, held for two or three nights away from them and from the solicitors to whom they would normally turn in their communities. Their basic human rights are contravened as a direct consequence of the inadequate levels of staff available in centres such as Dolgellau and the smaller villages to which I referred.

The question of rurality has been placed on the political agenda because of recent events. The right hon. Lady referred to a report that I, too, wanted to bring to the attention of hon. Members in Westminster Hall. An independent report from ORH Ltd. was commissioned by the Home Office and was published on 30 April 1999, more than 12 months ago. That report considered the question of the additional costs associated with policing sparsely populated areas, and its conclusions were that a sparse population meant that costs were higher,

because of the need for greater police numbers. The costs can be quantified and the current funding formula can be amended.

If I understand it correctly, the report set out three options. In the North Wales police force area, an additional £1.9 million would be needed to provide adequate strength for the police force to deal with the rural dimension. In the Dyfed Powys police force area, the figure would be £3 million. As the right hon. Lady mentioned, the report referred also to various English areas and specifically to Norfolk, which clearly suffers from the same kind of problems.

Will the Minister clarify whether the Government's recent comments on providing more resources for rural policing imply a full acceptance of the consultants' report? If so, has a decision been taken on how to amend the financial formula for distributing resources to take into account sparseness and rurality? When will the resources be available to the police forces that desperately need them?

If we are to avoid encouraging people in rural areas to resort to guns—heaven forbid, none of us wants that—we must build up their confidence in the police force's ability to protect them. That means giving police forces the resources that they need to do the job that we, as a community, ask them to do. It also means putting resources into schemes such as neighbourhood watch, which the police force in my area greatly appreciates. Incidentally, it is worth noting that the use of firearms in robberies dropped from 11.7 per cent. in 1991 to 4.8 per cent. in 1997. That is an acceptable trend, about which we are glad. We do not want that to be reversed as a consequence of the kind of tragic incident that occurred recently.

The fear of burglary is substantial. It is twice as high in Wales and England as it is, for example, in Spain. It is three times as high here as in Sweden, and five times as high as in Switzerland. That is the size of the challenge to build up the confidence that is needed. We know that notifiable offences have gone up by 50 per cent. from 1991 to 1998. Despite the increase in crime and the changing social patterns to which I referred, the police force in Wales and England has increased in size by only 25 per cent.—from 97,000 in 1971 to 126,000 in 1998. If we are to have the police presence that we need in rural and urban areas, we must be prepared to put our money where our mouth is. I hope that the Minister will make a positive statement when he winds up this debate.

10.12 am

Mr. Simon Hughes (Southwark, North and Bermondsey): I am pleased that the hon. Member for Uxbridge (Mr. Randall) was able to secure this debate, and I want to echo the central message of the contributions of the right hon. Members for South-West Norfolk (Mrs. Shephard) and for Caernarfon (Mr. Wigley).

Hon. Members representing all kinds of different communities—rural, urban or suburban—are saying that unless the public have confidence in the police force, they will believe that they must act independently. The letter to which the right hon. Lady referred epitomises the increasing perception across the country. I know each of the right hon. and hon. Members' constituencies to some degree—I know the constituency of the right hon. Member for Caernarfon better than the others—and, although I represent an entirely different kind of community, the same feeling is abroad. Unless we respond to that, we will be in severe difficulty. There will be much more crime because people will act in a criminal way to protect themselves.

I want to start by making one critical comment. I shall follow the right hon. Lady's example by not going into the details of the specific case. As a lawyer, I know that it would be unwise to discuss the merits of a particular case, which is now the subject of an appeal. I have been troubled to discover that, in response to the wider debate, people have given foolish and simplistic answers, including the leader of the Conservative party, who said the other day that the police should be freed from bureaucracy—we would all agree with that—and from race awareness seminars to spend more time catching criminals. I can see how that might appeal to the majority, and even how it might appeal to some of the police. However, if that is the leader of the Conservative party's idea of a responsible attitude in the light of all the recommendations of the Lawrence inquiry, his definition of "responsible" is not one that most people would share.

There is every argument to say that we must have enough police—I shall address that in a moment—but to believe that good policing can be achieved without an understanding of the whole community is not appropriate. There is probably no community in England and Wales that is not racially mixed to some degree, although the degree is greater in areas like mine than it is in Norfolk or north Wales.

The issue does not distinguish between urban and rural communities. I was brought up in rural Cheshire. We then moved to rural Glamorgan and then to rural Herefordshire, and I spent much of my family time in rural Meirionnydd. I understand the needs of those communities, but suburban Uxbridge or inner-city Southwark and Bermondsey are made up of communities—some small and some large—which all need to feel that they have their own policing. They all want to relate to the police service and feel that it is close to them.

The history of police strength over the past 10 years is not a comfortable subject. The right hon. Member for South-West Norfolk rightly criticised the present Government; the last five years of the Tory Administration were equally uncomfortable on that issue. Before then, police numbers had risen. The Tory Government's final years were the precursor to what we have seen since then. In 1995, the then Prime Minister, the right hon. Member for Huntingdon (Mr. Major), promised 5,000 extra police officers. By 1997, the number was lower than at the time of the general election in 1992; instead of 5,000 extra, there were hundreds fewer.

Last year, at the Labour party conference, we had the famous speech from the Home Secretary, promising 5,000 extra police officers. However, when examined, the figures showed immediately that, because recruitment levels are, sadly, so low, police numbers at the next election will not even be back to what they were at the last election.

I accept that the Labour party did not come to office promising a specific number of extra police officers. Its specific pledge was to put more officers back on the beat,

[Mr. Simon Hughes]

but that has not happened either. The Audit Commission—not politicians—makes it clear that the number of police officers on the beat has gone down. Its last report said that there were 1,000 fewer. That is where the public often perceive, in the first instance, whether there is satisfactory policing.

Mr. Heald: Does the hon. Gentleman agree that the Audit Commission's point was that constable numbers had increased throughout the period of the Government from 1992 to 1997? It said:

> It is significant that over the last year this trend of increases in constable numbers has begun to reverse.

If the hon. Gentleman wants to be serious about the 1992-97 period, will he agree that the number of specials was up by 4,000 in that period, civilians by 2,000 and constables by 4,000?

Mr. Hughes: I shall not take issue with the hon. Gentleman on the fact that the numbers moved in that direction. He is right. I am simply saying that the public have seen two major trends—a reduction in police officers across the country and a reduction in constables on the beat. They want more police officers and more constables on the beat.

The difficulty is evidenced by figures published in *The Observer* on 9 April, in an article headed "Britain's hardest hit police force". In Suffolk, the number leaving from March to October 1999 was 46 and the number joining zero; in North Yorkshire, leaving 42, joined two; in Cleveland, leaving 80, joined nine; in Merseyside, leaving 85, joined 39; in Staffordshire, leaving 39, joined 20; in Sussex, leaving 178, joined 100; in Hampshire, leaving 145, joined 92; and in Greater Manchester, leaving 277, joining 169.

We are not recruiting to fill the gaps and, unless we address that question, people in the village communities of Norfolk or Hampshire, in suburban Uxbridge and in inner-city north Southwark and Bermondsey will not have the policing that they feel they need. The situation was reflected by the right hon. Member for Caernarfon, and I want to make some suggestions.

In the six months before September 1999, police numbers fell in 29 of the 43 forces in England and Wales, including the Met—in which there was a huge fall—and the forces in Hampshire, Devon and Cornwall, Merseyside and North, South and West Yorkshire. Rural and urban areas alike have been affected. The number of volunteer special constables went down by 3,300 between March 1997 and March 1999. If we exclude police pension money, which eats into the money available for policing, we find that 14 police forces had a cut in funding, in real terms, in the last financial year: Bedfordshire, City of London, Cleveland, Cumbria, Essex, Hertfordshire, Humberside, Lincolnshire, Merseyside, Sussex, Warwickshire, West Mercia, West Midlands and West Yorkshire.

The Audit Commission made it clear that, although the rate of public satisfaction is about 50 per cent. in terms of mobile police patrols and about 95 per cent. in terms of police responses to emergency calls, the rate for police foot patrols is 23 per cent. Less than a quarter of the public is happy with the bobby on the beat.

The Government allocated an additional £35 million for recruitment this year, but the policing of the millennium celebration cost £33 million, and that was not compensated. The money was eaten up in just one set of events throughout the country. There is no simple equation that states that we can reduce crime simply by adding more police but, for the reasons that the right hon. Member for South-West Norfolk, the hon. Member for Uxbridge and I have given, if the police presence is not increased, the public will lose confidence in the police. I have never heard anyone argue that having fewer police means that we have a better chance of catching criminals. Having more police may not help us to do better, but having fewer is certainly not the way either.

We need to reverse the cuts and increase strength. Every community—in villages, towns and cities—ought to have its dedicated police officers. The Church of England, to use a rather odd example, serves the whole country and people in every parish know who their priest is. In the same way, there ought to be permanently dedicated officers who are always accessible and not distracted from that job.

When researching for this debate, I discovered a bizarre figure in an Audit Commission report from 1996, showing that, round the clock, only 5 per cent. of police strength is deployed on the streets, in cars or on foot. Only 5 per cent. of on-duty police officers are out and about in the community. That is not acceptable. We could increase the number of retained officers just as, in parts of the country, there is a retained fire service. Ministers should allocate more money to police services to increase the number of retained officers, as well as special constables. I agree with the hon. Member for North-East Hertfordshire (Mr. Heald) about that.

There is no simple separation between rural and urban issues. Of course, there should be a better service for those rural communities that are not being properly served at present, but the figures show clearly that more than half of property crimes and one third of the victims of those crimes come from one fifth of the population of England and Wales. That part of the population lives in lower-quality social housing where people are three times more likely than owner-occupiers to be the victims of personal crime and twice as likely to be the victims of property crime. Victims of repeat crime are most likely to be found where crime is concentrated.

I was recently in Dewsbury and Doncaster, parts of which were like the third world. They were derelict and it was as if no police had ever been there. The housing and community estates were strewn with rubbish and litter and felt abdicated, particularly the part of Doncaster that I visited. I met the police in Dewsbury who spend a huge amount of time dealing with the drug problem, but many people feel that they do not receive much service in their communities.

We must be realistic about the use of plant and resources, including police stations. Some good Audit Commission work has suggested that we should think more imaginatively about where we have a police presence. I was brought up in north Wales and the police house at Maentwrog was available to the community 24 hours a day. That may not be appropriate now but,

in village communities, the police could be available not just where the shop or post office is but where the vicar or the pub is—

Mrs. Shephard: Or where the bank was.

Mr. Hughes: Absolutely, or in the village hall or parish hall. There are ways of sharing resources and plant, and the Audit Commission made some sensible recommendations. That is the route to take with the confidence of the public. I have never taken the view that police stations should never close, because that is unrealistic. Some police stations are now in the wrong place because communities have developed a long way away. The Minister is right that we need always to reduce paperwork, which is the bane of police officers' lives. The more paperwork that can be given to civilians, the better. Sickness must also be reduced.

I am sure that there is a future for sponsorship schemes. People used to be recruited to the services and to large companies such as ICI by payments to enable them to go to college in return for a specific number of years working in the services or for the companies. The police are ready for that and many youngsters could be recruited from all communities if they had that incentive.

I am completely clear that we must develop the community constabulary and warden scheme, as the Government have started to do. We need two tiers of policing. We need local community policing based on the local authority and people who work as park keepers, caretakers, school patrol people, traffic wardens and so on. They are the eyes and ears of neighbourhood watch and business watch. We also need police to deal with regional crime issues, the big dealers and so on. Unless we have both, the public will not perceive that anything is being done.

The transport police could be developed and transport providers could be given more responsibility to ensure that stations are safe. In London now, Mr. Grieve is examining murder and other serious crime and we need also some police to concentrate on persistent criminals. As in the Norfolk case and others, some people's names are always on the books with a list of charges and histories as long as your arm.

On London, the Minister should remove Metropolitan police funding and support from the general structure of Government funding, as the hon. Member for Uxbridge suggested. As the police service for the capital city, the Metropolitan police has a wholly different set of needs and obligations. It would be helpful to London's police and to the other 43 forces if London was not part of the same funding formula, but was funded separately. I support that argument for all sorts of reasons, of which the May day events are only the most recent.

We must allow for the greater cost of living and working in a capital city. That is not an argument against the rest of the country, but it is a fact that, whatever public service people work in, it costs more to buy a home in London. I know from where I live how prices are rising.

I am conscious that tomorrow is London election day. I hope that the voters of London will elect a mayor who does not want to be mayor of the world, as certain people seem to want to be. Some people want to take on global capitalism and to try to solve the Irish problem, as well as every other world problem. I hope that the people elect someone who wants to concentrate on London issues only. The candidates of the three main political parties, but not the independent candidate, come into that latter category, and Susan Kramer would do the job best.

I hope that London voters do not elect someone who will be continually distracted from the issues facing the electors of this great city; that would not be a service to London or to the London communities which, like rural communities, want a larger police service in which they can feel greater confidence.

10.30 am

Mr. Oliver Heald (North-East Hertfordshire): I was going to congratulate my hon. Friend the Member for Uxbridge (Mr. Randall) on having secured the debate, but I am not so sure now that it has given the Liberal Democrats a platform to make an election broadcast. To be serious, it was a good debate to instigate. The problems experienced by cities and by rural areas have been highlighted; I am not sure that they are so different.

I know the constituency of the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) quite well—not least because he trounced me in the 1987 general election—as I have friends there. There is concern that the Rotherhithe police station will be put on to short hours and that policing will be based at Walworth. That is the sort of problem that one gets in areas such as Cambridge or south-west Norfolk; the police station at Wisbech closes in the evening, for example, and people have to telephone a distant place to get the police to come. It all creates an atmosphere of concern, lack of confidence and genuine fear.

I suppose that the Government have to put on a bold face—the Minister has delivered sweet words on the subject—but what my hon. Friend the Member for Uxbridge said about Hillingdon, and what my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard) said about her constituency, should give the Government pause for thought. The public are not stupid, and when they read headlines like "Demoralised Met Can't Fill 400 posts", "Met Shuts 23 Police Stations at Night", "Tax Strike as Police Cuts Anger Residents"—that refers to Finchley—and "Huge Rises in Street Crime", they ask themselves whether that is just media sensationalisation. They then go down to the local police station and find that it is not open in the evening, or they notice that there are not the numbers of police out and about that there used to be. That creates a climate in which people are genuinely worried.

We cannot discuss the details of the Martin case, but I have spoken to people in my constituency—it is not the kind of rural area that the right hon. Member for Caernarfon (Mr. Wigley) represents, but it still has pretty remote spots—and people there are worried that a 16-year-old will burgle their property late at night and that the police will not be able to get there on time. It is not electioneering or politicking to point out that that is happening because the Government have made a terrible mistake in allowing police numbers to run down.

Between 1992 and 1997, the Conservative Government stripped out some of the middle ranks of the police service, and the overall numbers of police can

[Mr. Oliver Heald]

be said to have fallen. However, as the Audit Commission recently pointed out, the number of police constables rose year on year. The front-line crime fighters who were seen to be doing the job increased throughout the years of the Conservative Government, as did the number of specials. Specials are very important in terms of dealing with crime on Friday nights and at times of pressure.

The number of civilian staff also increased, enabling police to get out and about. In 1992-97, the number of specials was up 4,000, the number of civilians was up 2,000, and the number of constables was up 2,500. The Government have reversed that situation, and the Audit Commission is right to criticize that. The number of police has fallen by 2,300 which includes, for the first time since 1990, a fall in the number of constables out and about. The number of civilian staff has remained at 53,000 throughout the period, and the number of specials has fallen by 3,500. It is not surprising that people are beginning to notice that there are fewer officers.

There is a problem with the recruitment of officers, especially in London where 400 officers for whom there is funding have not been recruited. Hendon needed 1,300 new recruit officers in the past year but did not have anything like that number. It had only two out of every three officers that it needed. The problem may be about money, but it is also about the fact that officers feel insulted and demoralised. They feel that criminals who are let out before the end of their minimum periods then re-offend.

The Government have turned the job of policeman from one that was held in high regard to one that people have concerns about. Even officers who join the Metropolitan police do not stay. The number of probationers—officers in their first two years with the Metropolitan police—has fallen by 353 in the past nine months. The position in London is of great concern, but the rural situation is also worrying. The Minister knows the eastern region well, and the number of officers there has fallen by 357 since his Government took power. There are 46 fewer officers in Bedfordshire and 30 fewer in Cambridgeshire. In Norfolk, numbers are down 50; in Lincolnshire, 85; in Suffolk, 20; and in Essex, 126. The number of officers needed can be judged easily from the recent crime-fighting fund bid for the extra numbers that the Government are prepared to fund. Nationally, 8,220 were requested and only 5,000 were given. In the Eastern region, 397 were given but 556 were wanted, so 160 officers fewer than needed were provided in that region alone. The result of that is fear in rural areas.

People are worried also about the spin and fiddling of the figures that the Government go in for. The Government often say that they shall provide 5,000 extra officers. At first, we all thought that there would be an extra 5,000 police, but it does not mean that at all. It means that they will recruit 5,000 on top of the existing plans. All the arithmetic was blown to pieces after the Home Secretary's conference speech.

If the Government keep saying that police numbers do not matter and have no direct relationship to the detection of crime, why are they so desperate to persuade us that their 5,000 extra officers over the next two years will make all the difference? The reason is that they have made a terrible mistake in running down police numbers and are now trying to rescue the situation.

We know that 6,000 officers a year are lost through natural wastage, and that the police wanted to recruit 12,000 officers over three years. They have added another 5,000 over three years, which is a net loss of about 1,000 officers over the period. Recently, the police have said, "No, it will not be three years. We intend to recruit those 5,000 officers over two years." We have asked for the revised number of recruits for each force, because we want to know where they will go over the next two years. But what happens? We are just told, "We are having discussions. We shall make a further announcement as soon as details of the accelerated scheme have been finalised." Why are the Government announcing a scheme when they have not finalised the detail? When will the details be published?

I come now to the Milburn letter. The Minister will remember that the then Chief Secretary wrote a letter shortly before the Labour party conference when the recruitment of the 5,000 officers was announced. He said that police training schools would be operating at more than full capacity and he was worried that they would not be able to train that number of officers over three years. The Government are now saying that they will produce those officers over two years, but how on earth will they manage that? Will the Minister say whether the training schools have that extra capacity? How will it be achieved?

My other worry concerns the third year. If the new officers are to be provided over two years, there will still be the natural wastage—6,000 officers will be gone in the third year. What will happen then? Or is such intended action just a gimmick running up to the next general election? Will the Government put in a few extra officers in the two-year period and then, after the election, have a situation like a cliff face, with numbers going right down again? Is it true that, in the third year, wastage will outstrip recruitment and the numbers will fall back again?

When the Minister announced that he would allow the recruitment of the 5,000 officers over three years, he said that £35 million would be provided in the first year for the first tranche of officers. Yet the Budget statement suggested that, in order to double recruitment in the year 2000-01, the Govt would provide a further £11 million. How can they obtain a doubling in the figures for half the money?

Mrs. Shephard: Ask the spin doctors.

Mr. Heald: Yes. The fact is that the public have rumbled the Government and they want real action. They want delivery, not more words.

The chief constable of Humberside explained how he felt after only 29 per cent. of the officers that he wanted in the crime fighting fund bid were granted. He said that it was a "body blow" for the force and that the announcement meant fewer officers to provide the service that the public want. He said that, in slashing the budget, the Government had ignored the views and concerns of local people. Glen Smyth made the simple point that we must have feet on the beat to put hands on collars. I cannot put it much simpler than that.

The Government should take seriously the recent survey of 6,000 police officers that showed that more than three quarters of them felt that morale was low. The same survey found that 71 per cent. would take another job if it were offered to them. That survey compares well with the survey carried out by the *Fenland Citizen*, to which my right hon. Friend the Member for South-West Norfolk referred, which showed that 1,050 people—91 per cent. of the respondents—did not feel safe in their own homes.

Is it not time that the Government restored the numbers to the level that they inherited, took away from police officers many of their time-wasting jobs and looked at imaginative initiatives—such as that being launched today by the shadow Home Secretary—which would allow police officers in rural areas to work in shops? The hon. Member for Southwark, North and Bermondsey agreed that that was a good idea.

Why are the Government not coming up with such imaginative ideas? Are they stuck, enjoying the Whitehall world? Are they not considering how to protect people and meet the essential contract that the citizen has with the state to be protected and free from fear?

10.44 am

The Minister of State, Home Office (Mr. Charles Clarke): First, I congratulate the hon. Member for Uxbridge (Mr. Randall) on securing the debate, which has generally been constructive and positive. I welcome it and I hope to respond in that spirit.

We have debated these issues on the Floor of the House, such as in the debate on police funding on Thursday 3 February, in which several hon. Members representing London constituencies spoke. A full discussion of the issues involved has taken place. I agree with the right hon. Member for South-West Norfolk (Mrs. Shephard), who approved the Westminster Hall style of debate. That was right and positive.

I shall respond to the debate by making a couple of points about funding overall, and I will then deal specifically with the point about London. I shall deal specifically with rural sparsity, and I will then make some general points in response to the hon. Member for North-East Hertfordshire about police numbers and bobbies on the beat.

The Government's overall spending plans for the three years beginning April 1999 were announced in July 1998. Under our plans, an extra £1.24 billion is being provided for police in England and Wales between 1999 and 2002. For the year 2000-01, the current year, the total amount of police authority spending to which the Government are prepared to contribute their share of funding will be £7.35 billion. That represents an increase in police funding of £212 million, or about 3 per cent., over the year 1999-2000.

I acknowledge the point that the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) made—I made the point in the debate on police grants—about how pensions take a significant chunk of spending, and that that varies among different authorities. He is right to raise that issue. We are actively considering the matter at the moment, because not only does it take a chunk of spending away from police authorities, it impacts on different police authorities in a highly variable way, simply because of the percentages involved. I have received several representations from hon. Members, chief constables and police authorities about pensions. I shall not dwell on the matter, but I wanted to acknowledge the point.

We recognise the costs of the Metropolitan police and, in this year's funding settlement, the force was allocated an extra £182 million. I pay tribute to the work of the Commissioner, Sir John Stevens, who has put support for front-line policing at the heart of his plans to reorganise the Metropolitan police. The decision to streamline the Met and remove the area tier of management is enabling the Met to transfer resources and to maintain police numbers managed locally. Those officers are in turn supported by all the other officers who provide pan-London and specialist services.

The hon. Members for Southwark, North and Bermondsey and for North-East Hertfordshire (Mr. Heald) mentioned Southwark. I met the Southwark division a few weeks ago, and discussed in detail issues such as Rotherhithe police station. The changes being effected in Southwark will increase local police presence throughout the borough. Some proposals have aroused controversy, especially in the constituency of the hon. Member for Southwark, North and Bermondsey, but the general effect is part of the overall drive to have more policing on the front line.

During this year, the Commissioner intends to transfer funding for 445 posts from central Metropolitan police budgets directly to those responsible for divisional policing, thus moving people into the divisions of London. Priority will be given to filling divisional vacancies. That will put an additional 300 officers on the street by the end of the financial year. Specific increases resulting from the crime fighting fund will be targeted at boroughs that face the most serious challenges in terms of burglary and street crime.

Target numbers for police officers for 23 borough commands will be unchanged, although that will enable many to increase their numbers by filling vacancies. The initial allocation of funding under the crime fighting fund will enable an additional 242 officers to be utilised in the London boroughs that most need them.

Although this debate is about police numbers in general, I shall refer briefly to the points made about recruitment issues in London. As a result of what my right hon. Friend the Chancellor of the Exchequer announced in his Budget statement, Metropolitan area pay issues are being considered through the standard structures and procedures, about which I cannot comment here.

Mr. Randall: The Minister said that resources would be targeted on those boroughs in most need. Was he referring to boroughs with the largest number of incidents, or those with the largest increase in incidents such as burglary?

Mr. Clarke: I cannot answer that question directly, as it is a matter for the Commissioner. However, I am happy to write to the hon. Gentleman on how that will be defined. The Commissioner will seek intelligently to focus on those areas in greatest need. I shall discuss whether they are defined by the increase point or by the level point, and write to the hon. Gentleman in due course.

[Mr. Clarke]

Rural issues were raised by the right hon. Members for South-West Norfolk and for Caernarfon (Mr. Wigley). I am familiar with those issues. Although my constituency is not rural, it is in the middle of a rural county in which the issues raised by the right hon. Lady have been current, as she is more than aware, in the media and more generally. As she said, she raised the issue in an Adjournment debate on 19 October last year. Perhaps I could apologise to her, as I did at the time, for not being able to respond to that debate. I am delighted to do so now.

Much of the subject was discussed yesterday in an Adjournment debate secured by the hon. Member for North-West Norfolk (Dr. Turner). I do not intend to go over the whole territory again. I want to pay tribute to the right hon. Member for South-West Norfolk for stating so clearly that she has confidence in the Norfolk constabulary. As I said yesterday, I felt that the statement by the right hon. Lady and the other Conservative Members representing Norfolk—which implied a lack of confidence in the constabulary—was damaging and wrong. I am delighted that she has put the record straight, and focused on the important political issues.

Mrs. Shephard: The Minister must not be carried away by the spin that is put on specific words. In the statement to which he refers, I and my three colleagues from Norfolk made it absolutely clear that we were worried—as, clearly, were our constituents—that the police do not have the resources to do the job, and therefore are at risk of losing the confidence of the public. It is not because of the police, but because they are perceived to be thinly resourced. I have made that clear this morning, and that is what we sought to highlight in our press release.

Mr. Clarke: I am grateful for that clarification, which repeats what the right hon. Lady said in her speech. I am responsible for spinning many things, but I am certainly not responsible for the spin put on the statement made by the right hon. Lady and her colleagues to the media in Norfolk and elsewhere. All I can say is that a perception is abroad, which she has helpfully knocked on the head, that a lack of confidence in the Norfolk constabulary might have been expressed. I am delighted by the absolute clarity that she offered in her speech and her intervention.

On sparsity, I shall not repeat what I said yesterday, except to say that I take it extremely seriously. I have met authorities and discussed the issue fully. The argument has power and force, which was expressed in both speeches on the matter this morning. It is being addressed in the context of the comprehensive spending review, the first year of effect of which—in answer to the question posed by the right hon. Member for Caernarfon—is 2001-02. I cannot prejudge the conclusions of the comprehensive spending review; that is a matter for the Chancellor and for the Government as a whole. However, as I have often said before, the argument has force, and those who make the argument on the basis on which it has been made today are justified in doing so.

The Government will publish a White Paper on rural communities later this summer, and I am optimistic that there will be a chapter in it specifically on rural crime. Several significant issues raised in the debate need specific attention. I agree that there are points of common experience that are shared across the country, but I believe, too, that there are issues specific to rural areas that need to be addressed specifically.

The hon. Members for North-East Hertfordshire and for Southwark, North and Bermondsey referred to what Glen Smyth said about a feeling abroad. In my view, that relates to the colloquial phrase "bobbies on the beat", or the extent to which there is a police presence in a community.

There are four factors to the question of bobbies on the beat, the first of which concerns police numbers. The Government have never taken the view that numbers do not matter; they do, but that is only one factor in terms of police presence. The second factor is technology, the third is the abstractions of the criminal justice system and the fourth is the development of partnership. Those are matters for the chief constable of each area and his authority, but they are all important considerations in increasing the numbers of bobbies on the beat.

I will deal with those factors briefly, one by one. Police numbers have fallen in five of the last six years, despite what is said. Overall police numbers fell under the previous Government from 128,290 to 127,158 between March 1993 and March 1997, which represents the loss of more than 1,000 officers. We are responding to that situation, and the Home Secretary announced in his Labour party conference speech last year the recruitment of 5,000 officers. We have more recently announced that that recruitment will be brought forward from a three-year period to a two-year period, as a result of the additional resources announced by the Chancellor in his Budget.

I can tell the hon. Member for North-East Hertfordshire that the original proposal before the Budget was that, for the three years beginning 2000-01, we would have 1,000 officers, and then 2,000 and 2,000. Now, the total of 5,000 will be spread over two years instead of three and, so far, we think that the number of officers will be doubled in the first year. That would mean that there would be 2,000 officers in the first year and 3,000 in the second.

To be frank, we want to increase that first-year number from 2,000, and we are actively considering the number to which we can increase it. Instead of 2,000 officers in the first year, followed by 3,000 in the second, there might be 2,500 in each year or 3,000 in the first and 2,000 in the second. For exactly the reasons that the hon. Gentleman mentioned—training facilities and resources—we are discussing recruitment with the chief constables, the police authorities and the training people. We intend to make an announcement on those discussions shortly. The effect will be to accelerate significantly the recruitment of extra officers in every force, which will be widely welcomed.

The point that the hon. Member for North-East Hertfordshire made about the third year will be discussed as part of the overall comprehensive spending review for 2002-03. We are discussing what the appropriate levels of funding for extra officers will be, in

the context of that review. However, I know he will understand that I cannot say anything about that until the comprehensive spending review is concluded.

Another important question is that of civilian numbers. As the right hon. Member for South-West Norfolk said, in Norfolk there was a reduction of 49 police officers between March 1997 and September 1999, although there was an increase over the same time of 57 civilians. That is not untypical; such a distinction has occurred in many forces, precisely because of the operational decisions taken by the police about the best way in which to use their resources. The previous Government rightly decided to take those responsibilities away from the Home Secretary and give them to chief constables.

I agree with the points made about retained and special officers; we are considering that for the comprehensive spending review. I must conclude because my time is short, but I would like to continue on another occasion. It is important to recognise also that the issues of technology, the criminal justice system and the hon. Member of developing partnerships all have a massive impact on the number of bobbies on the beat. We should give those issues at least as much attention as police numbers.

Non-Proliferation Treaty Review

11 am

Mr. David Chaytor (Bury, North): I am grateful for the opportunity to open this debate on the review conference of the non-proliferation treaty. The conference opened on 24 April and will continue until 19 May, so the timing of the debate is highly appropriate.

This debate follows an Adjournment debate on the wider topic of weapons of mass destruction and the implications for global security that took place in Westminster Hall a few weeks ago, which was timed to coincide with the launch of the all-party group on global security and non-proliferation. It also follows a very interesting visit to the United Kingdom by the United Nations Secretary-General's special envoy for peace and disarmament, Mr. Michael Douglas, who addressed a well-attended meeting in this Chamber some weeks ago. He called on the UK to use its particular influence in international negotiations to ensure that the NPT review conference was a success and that nuclear weapons states and non-nuclear weapons states reaffirmed their commitment to achieving global nuclear disarmament.

The UK's attitude to nuclear weapons is not typical of most countries. The national Governments and peoples of most countries long ago rejected nuclear weapons as the cornerstone of their defence policies. The overwhelming majority of states are now strongly committed to seeking the complete elimination of nuclear weapons.

In the post-cold war era, the debate about nuclear weapons is very different from 20 years ago. There is now a consensus among nuclear weapons states and non-nuclear weapons states that the disarmament process must continue. The United States and Russia have taken major steps forward in that direction, although they have not yet gone far enough. The debate now centres on the means by which the commitment to global nuclear disarmament, as enshrined in the non-proliferation treaty, can be achieved.

The non-proliferation treaty was signed in 1968 and came into force in 1970. Originally, it was signed by 182 countries, which agreed not to acquire nuclear weapons. Some of them abandoned the nuclear programmes that they had already started. The treaty allowed the five current nuclear weapons states to continue to hold their weapons on condition that they promised to end the arms race and work towards nuclear disarmament. The treaty now has 187 members, at least two of which have unfortunately violated their treaty obligations. Four states remain outside the treaty, three of which—India, Pakistan and Israel—are now nuclear weapons capable.

The treaty was initially agreed for a 25-year period. At the 1995 review conference, after some debate, it was extended indefinitely. Significantly, the 1995 conference also agreed to three further measures: first, to conclude a comprehensive test ban treaty by the following year, secondly, to commence negotiations on a fissile material cut-off treaty—that is, a treaty banning the production of fissile material—and thirdly, to increase efforts to pursue nuclear arms reduction.

[Mr. David Chaytor]

At the heart of the non-proliferation treaty is article 6, which makes it clear that the treaty is about the commitment to nuclear disarmament, not just arms control or reduction. It says:

> Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to the cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a Treaty on general and complete disarmament under strict and effective international control.

Since 1995, there have been many worrying trends in global politics. In May 1998, two major countries that have fought a number of wars and engaged in continuing conflict since their formation tested nuclear weapons. The tests conducted by India and Pakistan have changed the international climate on nuclear weapons, placing a question mark over the capability and willingness of the international community to continue to seek their complete elimination. In October 1999, the United States Senate rejected ratification of the comprehensive test ban treaty, which had been agreed at the 1995 Europe review conference.

Two new states, Iraq and North Korea, are suspected of developing a nuclear weapons capability and have resisted international efforts to monitor and supervise their weapons programmes. NATO has reaffirmed its strategic doctrine, which puts nuclear weapons at the heart of its defence policy. In recent weeks, the new president of Russia, Mr. Putin, has also engaged in a new form of rhetoric, stressing the importance of Russia's nuclear weapons. Ratification of the START 2 treaty in Russia was seriously delayed, although—thankfully—it has been ratified in the past few weeks. At the conference on disarmament in Geneva, negotiations on the fissile material ban have resulted in deadlock. We have also learned of the United States' intention to seek an amendment to the 1972 anti-ballistic missile treaty to allow it to extend its anti-ballistic missile defence capacity beyond a single city and a single intercontinental ballistic missile site—as envisaged in the 1972 treaty—to the whole of the United States.

In that respect, the past five years have led to pessimism about the willingness of the international community to implement the principles of article 6 of the non-proliferation treaty. However, not everything has been pessimistic; there have been positive moves. The Russian Duma's recent ratification of the START 2 arms reduction treaty will pave the way for ratification by the United States Senate and negotiations on the START 3 treaty. START 2 cut the United States' nuclear weapons capability by approximately 60 per cent. If agreement is reached on START 3, it will cut Russia's nuclear arsenal by approximately 80 per cent. compared with the peaks of the cold war period.

There has been greater co-operation between the United States and Russia in respect of financial help for Russia's disarmament and nuclear clean-up programme. I pay tribute to the efforts of the United Kingdom Government and Lord Robertson, the former Secretary of State for Defence, in particular. His strategic defence review of July 1998 announced a significant cut, from 300 to 200, in the UK's warhead stockpile. That is equivalent to a nearly 70 per cent. cut in potential explosive power. The Trident patrol cycle has been relaxed, so that only one boat is on patrol at any time. The alert status of Trident has been reduced, so that missiles can now be fired only at several days' notice. The United Kingdom's stocks of fissile material have been cut, and a welcome new transparency of information about those stocks has been introduced. Earlier, the decision was taken to end the use of the RAF's WA 177 free-fall nuclear bombs.

On the international front, there has been a most interesting development by the non-nuclear weapons states, eight of which formed a new alliance, known as the new agenda coalition, in 1998. Brazil, Egypt, Ireland, Mexico, New Zealand, South Africa and Sweden published a major declaration in 1998 calling for a general convention banning nuclear weapons. They put their statement to the United Nations in December 1998 and obtained the support of 114 states, with only 18 states voting against the proposal and 38 abstaining. Significantly, one of the abstentions was from China, which is one of the five nuclear weapons states.

The review conference opened at the end of April. I shall focus on the two main arguments put forward at that conference to date: the position statements made by the nuclear weapons states and the new agenda coalition. The nuclear weapons states, represented by the spokesman from France, published a major document providing welcome reassurances about their continued commitment to the NPT process, from which I shall quote selectively. The French spokesman said unequivocally:

> We remain committed to fulfilling all our obligations under the Treaty...We reiterate our unequivocal commitment to the ultimate goals of a complete elimination of nuclear weapons and a treaty on general and complete disarmament under strict and effective international control.

The French spokesman also cited the many significant multilateral, bilateral and unilateral developments since 1995, and reassured the conference of the determination of the nuclear weapons states to ensure that the comprehensive test ban treaty was

> a universal and internationally and effectively verifiable treaty

and to secure its early entry into force. That early entry is dependent on ratification by the United States Senate. The statement also reaffirmed the importance of a ban on the production of fissile material and urged the conference on disarmament in Geneva to agree on a programme of work to secure one as soon as possible.

In emphasising the importance of co-operation between the non-weapons states and the weapons states, the French spokesman also declared that none of the nuclear weapons held by the five weapons states is targeted at any other state. In respect of the START 2 and 3 arms reduction treaties, he said:

> We look forward to the conclusion of START III as soon as possible while preserving and strengthening the—
>
> anti-ballistic missile treaty—
>
> as a cornerstone of strategic stability and as a basis for further reductions of strategic offensive weapons, in accordance with its provisions. We are committed to placing as soon as practicable fissile materials designated by each of us as no longer required for defence purposes under IAEA or other relevant international verification.

Reference was made to the creation of the two new nuclear weapons-free zones since 1995 in south-east Asia and Africa, and support was expressed for the continued establishment of further nuclear weapons-free zones, especially in central Asia.

In conclusion, the French spokesman said on behalf of the nuclear weapons states:

> We are determined to take a forward-looking approach to nuclear non-proliferation and nuclear disarmament. The NPT provides an indispensable framework for future efforts against nuclear proliferation and towards nuclear disarmament. We fully acknowledge our particular responsibility and key role in ensuring continued progress in the implementation of the NPT.

The rhetoric of the nuclear weapons states was extremely encouraging and positive, but, 30 years after the treaty came into force, the world still has the capacity to destroy itself many times over with its existing stock of nuclear weapons.

I want to focus on the position of the states represented by the new agenda coalition and their efforts to persuade the nuclear weapons states to treat the disarmament process more seriously and specifically to ensure that when the next review conference takes place in 2005, there can be no doubt that the world is on its way to total nuclear disarmament.

The Foreign Minister of Mexico, Ms Green, was the spokesman for the new agenda coalition. In her opening remarks she said:

> This ... Review Conference offers us a unique opportunity to move definitively forward in the achievement of a world without nuclear weapons. We have reached the juncture when more far-reaching action must be decided upon.

It has been a theme of many contributors to the conference so far that this is the year when the world must choose whether to embark on a serious programme of global nuclear disarmament or find itself drawn down the road of further proliferation, with nuclear weapons being seen by more and more states as a normal part of their defence policy.

Ms Green quoted the example of other categories of weapons of mass destruction that have already been subject to reduction and, in some cases, elimination by international treaty. She was critical of the statements by some countries, which she described as

> re-statements of policies and postures which reaffirm the central role of nuclear weapons in strategic concepts and the possibility of fighting war with the use of nuclear weapons.

That rhetoric is not the prerogative of any one country or group of countries. Countries and military alliances in all parts of the world have been guilty of it in recent years.

Ms Green was concerned about the

> re-rationalization of nuclear weapons in an age when the context which gave rise to the original proliferation of nuclear weapons among the five nuclear weapon states has long disappeared.

As the cold war is now long over and, in spite of the many difficulties that face the world and the many global and regional conflicts that still take place, the original rationale of mutually assured destruction has long since become obsolete, the use of nuclear weapons as the central plank of defence policy is equally obsolete.

Ms Green acknowledged the various unilateral measures undertaken by two of the five nuclear weapons states, but called for

> the early involvement of all five nuclear weapon states in bringing about the elimination of their respective nuclear forces. We consider that the principle of irreversibility should be applied to all disarmament measures. We look to greater transparency as the nuclear disarmament process gains pace.

The new agenda coalition has been consistently critical of the nuclear weapons states' failure to take detailed action to set in motion the 1970 treaty commitment. Time and again Ms Green, on behalf of the coalition, has called for a commitment to specific policies, such as no first use. Of the five nuclear weapon states, only China has committed itself to a no-first-use policy. Another example is de-alerting nuclear weapons and separating warheads from delivery vehicles. Another is the withdrawal of non-strategic nuclear weapons from deployment. The United Kingdom has done that, but other nuclear weapons states have not. The coalition also wants legally binding security assurances to the non-nuclear weapons states, so that they feel secure without nuclear weapons.

The comprehensive nuclear test ban treaty was referred to as an essential building block in the nuclear disarmament agenda and the onus remains on the United States Senate to ratify it. It was agreed in 1995 that a fissile material ban would be an important next step forward, but there has been little if any progress on that in Geneva since 1995.

The new agenda coalition is also convinced that the establishment and gradual extension of nuclear-free zones is an important part in the wider confidence-building measures of the global disarmament programme and calls for additional nuclear-free zones in areas of tension such as the middle east and south Asia.

Finally, the new agenda coalition endorses the call by the United Nations Secretary-General in his report to the millennium assembly last year to convene a major international conference that would help to identify ways of eliminating nuclear danger. Ms Green stated:

> We consider that an international conference on nuclear disarmament and nuclear nonproliferation, which effectively complements efforts being undertaken in other settings, could facilitate the consolidation of a new agenda for a nuclear weapon free world.

I do not want to underestimate the task facing the states that are party to the treaty, but there is now general recognition that the world is at a critical turning point and there is a choice to be made at this year's conference. Do we allow what I referred to earlier as the re-rationalisation of nuclear weapons in the strategic concepts of the major military blocks or the defence policies of individual states, or do we unequivocally set in motion the detailed mechanisms to bring about the complete global nuclear disarmament to which the treaty commits its signatory states?

I recognise that my hon. Friend the Minister has a strong commitment to securing the continuation of the process and the achievements of the United Kingdom Government in recent years, particularly following the strategic defence review. Is the Minister sympathetic to the detailed programme of the new agenda coalition set out in its statement to the treaty review conference? Does he agree that attempts by the United States to amend the anti-ballistic missile treaty and to go ahead with a national missile defence system would contradict the spirit of the non-proliferation treaty? Do the Government intend to co-operate with the United States by allowing the use of British military facilities, particularly Menwith Hill, which the United States would need if were to implement its plans? Do the Government support the principles enshrined in the new

[Mr. David Chaytor]

agenda coalition? What is their position on the adoption of a strategy of no first use, to which China has already agreed, the decoupling of warheads from delivery systems, the further development of nuclear-free zones and the urgency of the need for a fissile material cut-off treaty? What will the Government do to ensure that by the end of the review conference on 19 May, the mechanisms for establishing the fissile material cut-off treaty are in place?

Our Government can take justifiable pride in their international leadership during past three years on many complex issues that were considered to be intractable. I am thinking specifically of their work on the climate change problem, and that of my right hon. Friends the Chancellor and the Secretary of State for International Development on debt relief for the poorest countries. The Chancellor has also worked on the reform of international financial institutions.

This more complex and intractable problem provides an opportunity for our Government to show international leadership. As the United Nations special envoy on peace and disarmament said in this Chamber shortly before Easter, the Prime Minister must recognise that the future of the planet depends on this issue above all others. If we cannot negotiate an international commitment on it in the next few weeks, the opportunity could be lost for ever. We could then face a future in which the commitment of the NPT conference gradually weakened, more and more states currently without nuclear weapons violated their commitments under the treaty, and the acquisition of nuclear weapons again became seen as a normal part of national defence policies.

The Government have an opportunity to confront the complexity rather than shying away from it. They could make an unequivocal commitment to give the same international leadership on global nuclear disarmament as they showed in resolving the climate change difficulties in Kyoto and in the settlement of international debt for the poorest countries.

To conclude, I shall quote the South African representative at the conference, who said a few days ago that if the international community cannot free itself from nuclear weapons,

> We will never be liberated from the unspeakable destruction and human suffering which these weapons can cause.

11.26 am

Mr. Tony Colman (Putney): Thank you for calling me so early in the debate, Mr. Deputy Speaker. I apologise that I shall be unable to stay until the end of the debate, as I have a prior engagement at a question and answer session at a school in my constituency at 12.30. I declare an interest, as I have visited Pakistan with Lord Avebury in the past two weeks. It might be interesting to mention some of the discussions that took place on that visit.

My Labour predecessor in my constituency was Lord Jenkins of Putney, and I am pleased to see the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Neath (Mr. Hain), who is somewhat jet-lagged. He has also been a Labour candidate for Putney, so I am pleased that I can speak in a continuation of my constituency's tradition of interest in nuclear disarmament.

I pay tribute to Rebecca Johnson from the Acronym Institute. If I had more time I would speak at length from her extremely good briefing, which is available every day on www.acronym.org.uk. It details almost every speech made in the NPT review conference, giving full coverage of the new agenda coalition and interesting anecdotes and details, such as British comments on the Egyptian position in the middle east. The briefing states that

> Britain reiterated its call to Israel to adhere to the NPT as a non-nuclear weapon state and to place all its nuclear facilities under full-scope IAEA safeguards.

My hon. Friend the Minister may want to respond on that issue, which my hon. Friend the Member for Bury, North (Mr. Chaytor) did not mention in his excellent speech.

Rebecca Johnson points out that the additional protocol 93/2 has not featured highly in debate. I had the privilege to introduce it in a private Member's Bill last year, and it is now completing its final stages in the House before the protocol's ratification. Has my hon. Friend the Minister been able to urge any other states at the conference to sign and ratify the protocol, which would be a major move towards making the world safer? I regret that I shall have to read his reply in *Hansard* rather than hearing it.

In Pakistan I met General Musharraf, who is the chief executive of the country. I also met the foreign minister and nuclear weapons experts. President Clinton has called Pakistan the most dangerous place in the world, given the line of control in Kashmir. I strongly urge Pakistan to attend the NPT conference, primarily as an observer. Lord Avebury and I have raised the issue of the comprehensive test ban treaty and we should push for India and Pakistan to become signatories. I spent a significant amount of time urging Pakistan, on a bilateral basis with the IAEA, to sign the 93/2 additional protocol on safeguards on its nuclear weapons, particularly in terms of nuclear weapon technology becoming available to neighbouring states. That is an important initiative and I strongly urge the Minister to take it up with the Pakistani high commissioner in London to see whether a dialogue could be created. I realise that such an initiative is outside the scope of the NPT review conference, but as a measure that would make the world a safer place, it is obviously within its spirit.

It may be strange for a Back-Bench parliamentarian, but I have been concerned over the past two years to raise the issue in several countries that I have visited. It is important to ensure that nuclear weapons, wherever they are, are safeguarded and do not leak out further. I condemn both India and Pakistan for having gone ahead with nuclear tests. During any visits under the auspices of the Commonwealth Parliamentary Association or the Inter-Parliamentary Union, I strongly urge that the issue of non-proliferation of nuclear safeguards under the new agenda coalition be taken forward in every possible way. The review conference will continue until 20 May, so there is some time in hand. I hope that other countries will sign and, if possible, ratify the treaty; South Korea, for example, signed and ratified it on the same day when I was there last May.

To conclude my brief intervention, I wanted to update the House on the interesting situation of Pakistan being willing to consider a bilateral agreement with the IAEA, on the basis of the 93/2 additional protocol.

11.32 am

Mr. Jeremy Corbyn (Islington, North): I wish my hon. Friend the Member for Putney (Mr. Colman) well in his school question and answer session. He can watch the rest of the debate on video tomorrow morning. I also thank the hon. Member for Bury, North (Mr. Chaytor) for initiating the debate. It is slightly disappointing that there are fewer hon. Members present than there were for the debate on police numbers in England and Wales. The issue of police numbers is obviously important for security, but this debate raises matters of security for the whole planet. We should bear the dangers in mind.

Debates on disarmament sometimes get bogged down in obscurantist language about obscure conferences taking place all over the world. It is easy to fall into that trap and miss the big picture—and I should know, as a life-long member of CND and a member of its national council. I sometimes get lost in all the acronyms and the endless references to conferences, and think, "Hang on a minute; we are here to discuss the thirst for peace around the world."

A year ago, I attended the Hague convention on peace, which attracted 8,000 delegates from all over the world. Many people came at considerable personal expense from island states in the Pacific and from elsewhere, because they were determined that at the end of the 20th century there should at least be an opportunity to discuss a peaceful future in which the world spent rather less on weapons of mass destruction, in particular nuclear weapons, and rather more on the redistribution of wealth and power around the globe and ensuring some kind of peaceful future. The world court has seriously questioned the legality of nuclear weapons, although the Foreign Office takes a somewhat different view. I shall be interested to hear what the Minister says, but I believe that the opinion of the world court on nuclear weapons should be taken extremely seriously, as should the decision of the Scottish court on their legality.

Before moving to the main burden of the debate, I wish to reflect for a moment on the world situation. There are 30,000 nuclear weapons in existence. We do not know the location of all of them or whether they are all stored safely—a fact to which my hon. Friend the Member for Putney drew attention. Given that there are 30,000 weapons throughout the world, the danger of leakage or proliferation is enormous. If the current non-proliferation conference misses the opportunity to achieve a lasting settlement on decommissioning, disarmament, no first use and ultimately the abolition of nuclear weapons, the danger of proliferation will be writ large.

My hon. Friend the Member for Putney has just returned from Pakistan. Anyone who imagines that no country would seriously use nuclear weapons should bear in mind the tension and the rhetoric between India and Pakistan and the nationalist fervour in both countries. At some point, a politician somewhere will bow to that fervour and press a button—albeit to release a less powerful nuclear weapon than those held elsewhere. The consequences of a nuclear explosion set off in anger anywhere in the world and its knock-on effects are too horrific to think about. That is why the non-proliferation conference is so important.

This country can do a lot by example. We have access to the Trident nuclear submarine system. Various vessels are on patrol at any one time. Anyone who says that the acquisition and development of the Trident fleet is not nuclear proliferation is wrong. It is an enormous proliferation. On any one submarine, Trident carries 48 warheads. It could carry more. Each warhead has a capacity of 100 kilotonnes, and is the equivalent of five Nagasaki bombs. We now face a nuclear weapons capability that will make what happened in Hiroshima and Nagasaki—on 6 August each year we commemorate the 60,000 or more people who died in each of those two cities—look like a minor firework explosion.

Will the Minister respond to my point about the legality of nuclear weapons? Many non-nuclear weapons states or those with nuclear capability that do not admit to holding weapons draw comparisons with those nuclear weapons states that say that they want disarmament, while at the same time increasing their nuclear capability. We must also take into account the United States' use of Fylingdales for its development of a national missile defence strategy. Are we to become once more a nuclear aircraft carrier for the United States, which so many of us spent much of the 1960s, 1970s, 1980s and 1990s opposing? The closure of Greenham Common and its restoration as a public open space is a source of great pride and triumph to many people, but will not a massive American facility at Fylingdales be just as dangerous as Greenham Common was—if not more so—for the people of this country?

The conference has an opportunity to bring about a solution to the problems, but it means that the nuclear weapons states will have to make a big move. I understand that the Government are opposed to nuclear weapons and want massive disarmament throughout the world, but they keep holding them in the mean time while there is a threat or danger in the world. Some countries have given up nuclear weapons. For example, during the apartheid regime, South Africa clearly had a nuclear weapons capability. It is to the eternal credit of President Mandela that one of the early actions of the ANC Government was to end all nuclear weapons research and to declare South Africa a nuclear-free state. It can be done and South Africa has provided an example and a way forward.

Mrs. Cheryl Gillan (Chesham and Amersham): Is the stance of the Government in line with the current aims and objectives of CND, of which the hon. Gentleman is a council member?

Mr. Corbyn: I can pass the hon. Lady a vast amount of CND documentation. Clearly, CND does not agree with everything that the Government say. Nobody—neither the Government nor CND—would pretend otherwise. However, CND is involved in a process of constructive engagement with the Government. Meetings take place with representatives of CND and many Members of Parliament. I am a member of parliamentary CND, as are other colleagues who are

[Mr. Corbyn]

present in this Chamber. I am not sure what point the hon. Lady is trying to make. If she is trying to say that the Labour party is in the pocket of CND, all I can say is that I wish it were. Unfortunately, it is not.

Mrs. Gillan: I am not trying to make a particular point. I understand that the Minister replying to the debate is a member of parliamentary CND, and I merely wonder how that is compatible with being a member of the Government, with whom CND does not agree.

Mr. Corbyn: I invite the hon. Member for Chesham and Amersham (Mrs. Gillan) to meet CND—it is not far to come on the Metropolitan line. She would then understand that it is not in the mould of a democratic centralist organisation, with an all-powerful central committee that sends out edicts to every one of the thousands of CND members around the country, who religiously carry out those exact instructions. It is a wondrous affair, which encompasses Christian CND, trade union CND, Labour CND, and lots of other groups from lots of traditions, including pacifists, and ex-service CND. It is a peace movement in which a great deal of deal of debate and discussion takes place. Policies are arrived at and promoted. Many people who are in CND do not accept every tenet of everything that CND says or does. That is not a great problem; it is a peace movement that advances the cause of peace and has made a major contribution. The quality of its research and contribution to debate about Government statements is widely respected.

Mr. Chaytor: Does my hon. Friend find it unusual that, apart from the Front-Bench spokesperson, not a single Conservative Member is present in this Chamber? Not long ago, it would have been impossible to have a debate on this subject without a flood of Conservative Members rushing to be the first to denounce any attempt to suggest that the elimination of nuclear weapons might be good, or even possible. Does he agree that that change is highly significant? Does it not reflect a new-found consensus? The old debate, with those who believed in unilateral action and those who believed in multilateral action but did not have to do anything about it, is behind us—

Mr. Deputy Speaker (Mr. Frank Cook): Order. Interventions should be brief rather than repetitive speeches.

Mr. Corbyn: I think that my hon. Friend the Member for Bury, North was trying to allude to arguments that various absent friends would have made if they had been in this Chamber this morning. I miss them, because I miss the ritual denunciation of anyone who has ever been in CND, and the McCarthyite language that surrounded it. Nevertheless, I hope that they will read the debate in *Hansard* or watch the video.

May I move on, Mr. Cook, and take fewer interventions—

Mr. Deputy Speaker: Order. It might be helpful if I were to remind all hon. Members that this is a sitting of the House and not a Committee. The House, in its wisdom, decided that the Chair should be addressed as in the parent Chamber.

Mr. Corbyn: Mr. Deputy Speaker, I beg your pardon. You said that so well that you lost me along the way.

When Michael Douglas came here for a meeting, I was unfortunately unable to attend. I was at a far more glamorous affair in Islington—a tenants association meeting. Although I was unable to hear him, I read what he said and about his work, so I am aware of the efforts being made by the United Nations. It has drawn attention to the urgency of the situation.

The hon. Member for Putney spoke about the danger of war between India and Pakistan over Kashmir. There certainly is a danger of those two countries developing a further generation of nuclear weapons and a delivery system capable of setting them off. There is a dispute over Kashmir. Both Governments are attempting to stoke up nationalist rhetoric to divert attention from the unremitting poverty of so many people living in those countries. It is regrettable and deplorable that both India and Pakistan—though the criticism applies to many countries in the world—spend far more on defence and weaponry than on education or health. We must do all that we can to bring about a solution to the Kashmir problem and to persuade both India and Pakistan to sign up at least to the comprehensive nuclear test ban treaty as a prelude to full involvement in the non-proliferation treaty discussions.

There are other countries that are either nuclear weapons states or on the threshold of being so. Some are undeclared, but Israel, for example, is now fairly open about its nuclear weapons. The threat in that region of other states such as Iraq having access to nuclear weapons is terribly dangerous. In Israel, the prisoner of conscience Mordecai Vanunu has spent 11 years of his sentence in solitary confinement. He is now out of solitary confinement and living in more general prison conditions, but he remains in Ashkelon prison. I attempted to visit him a couple of years ago, but I was denied access.

We must recognise that Vanunu, a nuclear scientist, is a prisoner of conscience, attempting to draw the world's attention to the danger of nuclear proliferation. I hope that the Minister will continue the policy of this and previous Governments in putting pressure on Israel to ensure that Vanunu is properly treated and attempting to secure his early release from prison. In my view, he has committed no crime other than drawing the world's attention to the dangers of nuclear proliferation.

Nuclear weapons states can continue to operate as a club, to develop their own nuclear capability and to ignore the reality of the dangers all over the world. I want our Government to declare that we are serious about arms negotiation talks, that we are prepared to advocate a no-first-use policy, that we are prepared to decommission nuclear weapons and to put pressure on the United States to do the same and that we will continue to develop the encouraging rhetoric of the past few weeks about the real prospects for the peace process.

I shall quote from a CND document, which provides a summary of the UK's record on nuclear disarmament:

The Campaign for Nuclear Disarmament believes that the UK, as a permanent member of the UN Security Council and one of the five declared Nuclear Weapons States under the NPT, is well

placed to take the lead on the path of global nuclear disarmament. The end of the Cold War and the election of a Labour Government raised expectations, so far unfulfilled. Thirty years after it entered into force on 5 March 1970, the Treaty on the Non-Proliferation of Nuclear Weapons is in danger of being universally perceived as enshrining the privileges of the few to retain nuclear weapons indefinitely against the needs of humanity to achieve their abolition, sooner rather than later.

If we miss this opportunity, proliferation will continue and irresponsible will people get hold of nuclear weapons. If somebody sets one off, God knows where that catastrophe will lead us. This is perhaps the most serious debate of the present Parliament. It provides a chance that we must seize with both hands in order to bring about the worldwide abolition of nuclear weapons.

11.49 am

Mr. Malcolm Savidge (Aberdeen, North): I congratulate my hon. Friend the Member for Bury, North (Mr. Chaytor) on securing the debate and introducing it so comprehensively. I join my hon. Friend the Member for Putney (Mr. Colman) in thanking and congratulating Rebecca Johnson of the Acronym Institute, whose e-mails must have informed many of us, judging by how people smiled when he referred to them.

The sixth review conference of the nuclear non-proliferation treaty is crucial because of our failure to take advantage of the end of the cold war in the past decade, because of the growth of unofficial nuclear weapons states, because we have reached a watershed, and because of the unimaginable horror if it ever goes wrong even on a small scale, let alone on a cataclysmic scale, as my hon. Friend the Member for Islington, North (Mr. Corbyn) movingly described.

Various crucial issues are involved, such as the future of the test ban treaty, nuclear weapons-free zones, the fissile materials ban and the future of the anti-ballistic missile treaty, to which my hon. Friend the Member for Bury, North referred. I join him in welcoming the statement from the five recognised nuclear weapons states—perhaps more because they achieved a joint statement than because it contained especially ground-breaking comments. Achieving unity is important. I welcome the fact that all the states involved were able to show at least some progress. It would be fair to say, as my hon. Friend the Member for Bury, North did, that Britain has achieved rather more than other states.

I share the pleasure expressed by my hon. Friend the Member for Putney about the reference to the middle east and the importance of all states signing up to the non-proliferation treaty. Only one state now needs to do so, but it is perhaps the most important—Israel. I welcome the fact that Britain advocates sending a special enyoy to encourage the development of a nuclear weapons-free zone in the middle east. I also welcome the support expressed in the statement for nuclear weapons-free zones, and the reference to India and Pakistan.

The statement also strongly welcomes the comprehensive test ban treaty. Now that the Russian Duma has signed up to the treaty, it must be the desire of the vast majority of hon. Members that it should be ratified by all major states, including China and the United States of America. Of the 155 signatories, 56 have now ratified. The Government and the Opposition Front Bench want the comprehensive test ban treaty to be brought into force, and they have the overwhelming support of Back Benchers from all parties, as was shown by early-day motion 929.

I welcome the statement that the anti-ballistic missile treaty should be preserved and strengthened, but I fear that an ambiguity may lie behind it. I suspect that the different parties have different opinions about exactly what is meant by "preserved and strengthened", but I welcome the fact that it seems to put down the idea of unilateral action by the United States of America. The unilateralist position was vigorously expressed last week by a leader writer in *The Times*, Michael Gove, who argued not only for the United States adopting national missile defence, but for developing all possible aggressive and defensive technologies and scrapping all arms control agreements. In common with some of the more rabid sections of the United States right, Mr. Gove seems to believe that the more nuclear weapons there are, the safer we shall all be. As I have said before, some people in the United States hold a similar view about guns, and believe that if everyone had guns, no one would be killed. However, that does not seem to work.

Adopting national missile defence and scrapping the ABM treaty would be devastating. It would undermine all other treaties, especially if, as some Republicans have implied, the Republican party would abrogate the treaty, even though it was originally signed under a Republican president. Whatever assurances were given to Russia and China that the missiles were not intended to be used against them, how would they know that some future Administration would not simply abrogate those agreements, too? There would be a grave danger that Russia might be encouraged to start re-expanding its nuclear capability rather than continuing with reductions.

Even if the ABM treaty is renegotiated with Russia, there will be a grave need for the United States to consider the position of China and other states. As far as I am aware, almost no other state at the negotiations strongly supported the idea of the national missile defence system, and there has been strong support for maintaining the ABM treaty. I hope that the United States will take account of that.

How far is NMD relevant to Britain, since we are not party to the ABM treaty? As has already been mentioned by my hon. Friend the Member for Islington, North, if the system were developed, we would be expected to supply tracking stations at Menwith and Fylingdales, and the people there would automatically become likely targets, but under present circumstances they would not be afforded any cover. Even if there were offers of cover from the system or extra local contracts and employment, it would be inappropriate to dice with the safety of our planet and our people.

We should examine the extent of the danger posed by rogue states, which is genuine, but it is a little unrealistic for states that claim to believe in deterrence, and have several thousand times more weapons that any rogue state could develop, to say that they also need a massive missile defence system. Tactical capacity has been vastly overestimated. It is easy to say that one suspects that a state may have a missile delivery system capability, or is close to achieving it, or that it may have the capacity to produce a nuclear weapon, but that would probably be far too large for the purposes of their missile delivery

[Mr. Malcolm Savidge]

system. There is often a tendency to exaggerate such threats. In any case, other means of delivery are available to such states, such as bringing in a weapon on a lorry or by boat. That could apply to nuclear, biological or chemical weapons.

National missile defence threatens to undermine our arms control system, yet we have no guarantee that it would actually work. So far, the only tests that have been carried out have been unsuccessful, and it is unlikely that there could be any tests even suggesting that it might be successful before 2001. I suspect that the push to adopt the system is partly electoral and partly the result of financial inducements—that is, pork barrel politics, with politicians claiming that billions of dollars would be spent in different parts of the United States. While I do not expect Britain to take a public stance on the issue, I hope that we could employ private diplomacy to try to discourage the United States from taking precipitate action that might undermine the whole arms control and disarmament process. It is vital that we try to make progress with START 3, now that START 2 is likely to be confirmed.

In his article, Mr. Gove—using the slightly extravagant language that appeared to make my hon. Friends nostalgic—described my hon. Friend the Minister as one of the KGB's "useful idiots". If it is any consolation to the Minister, he used the same phrase to describe the United Nations Secretary-General, Kofi Annan. By Mr. Gove's definition, even his own icons, Baroness Thatcher and President Reagan, must also have been useful idiots, as they engaged in arms control negotiations. Like the cartoon of the Japanese soldier on the desert island who was unaware that the second world war was over, Mr. Gove appears to be similarly unaware that the cold war ended more than a decade ago. I say that not only to poke gentle fun at him, but because it illustrates part of the problem that we face. Einstein said that nuclear weapons had changed everything except the way in which people think, and the end of the cold war seems to have changed everything except the way in which some people who pontificate on defence matters think.

The statement by the five nuclear weapons states, which contains

> an unequivocal commitment to the ultimate goals of the complete elimination of nuclear weapons and a treaty for general and complete disarmament under strict and effective international controls

has caused concern. We all agree that general disarmament is crucially tied up with the effort to reduce weapons of mass destruction. The new agenda coalition and the movement of non-aligned states said:

> the total elimination of nuclear weapons is an obligation and a priority and not an ultimate goal, and even less a goal that is linked, subject or conditioned to general and complete disarmament.

The phrase, "total elimination" is sometimes used by starry-eyed idealists and hardened cynics—I am reminded of the decommissioning situation in Northern Ireland. Positive statements are good, but timetabled reductions are better.

We face a race against time. To put the point in simplistic but dramatic terms, this century's challenge is to establish whether human beings can eliminate nuclear weapons before nuclear weapons eliminate human beings.

12 noon

Mrs. Cheryl Gillan (Chesham and Amersham): I start by echoing the comment that was made in an intervention by the hon. Member for Bury, North (Mr. Chaytor)—I, too, am disappointed that there are not more hon. Members present. Today is the eve of the local elections, the London mayoral elections, in which our candidate, Steven Norris, is fighting a good fight, and the by-election. Presumably, that explains why there are no Liberal Democrat Members in the Chamber. The hon. Gentleman made some good observations, but he failed to point that out. I hope that I can make up for the absence of support from the Opposition Back Benches by making a brief contribution from the Front Bench. This subject has been debated for some time, but it is apposite to discuss it today in view of the start of the review conference.

The likelihood that threats to European security will become a reality has increased rather than diminished during the past few years. Today's global security environment is characterised by the same complex mix of political, economic, military and social factors that undermined stability during much of the 1990s. There are uncertainties regarding Russia, China, the middle east and eastern Europe, as well as various rogue states—to which hon. Members have alluded this morning—groups and individuals. There are also growing disparities in global wealth and source distribution and there has been an unwelcome spread of ethnic and religious conflicts.

For this country, one of the most obvious and disturbing features of the post-cold war order is the proliferation of ballistic missiles and the weapons of mass destruction with which they are armed. Between 35 and 40 countries have such a missile capability and, according to a report from Lancaster university, 18 countries have nuclear, chemical or biological weapons warheads with which to arm those missiles.

The post-cold war environment has proved to be increasingly open to proliferation activities. New alliances have formed, providing pooled resources for developing those capabilities. Technology, expertise and the hardware with which to build ballistic missiles are proliferating rapidly. That process has been instigated by advances in information technology. Foreign assistance is a universal characteristic of the contemporary ballistic missile development environment.

It is widely recognised that the key suppliers include China, Russia and North Korea. China has provided missile-related items, raw materials and assistance to several countries, including, I believe, Iran. It has also provided support to Pakistan's weapons of mass destruction and ballistic missile programmes.

Russia has provided a variety of ballistic missile-related goods and technical know-how to Iran, and it is expanding its assistance to countries such as Syria and India. Iran's earlier success in gaining technology and materials from Russian companies accelerated the development of its Shahab 3 medium range ballistic missile, which was first flight-tested in July 1998.

North Korea continues to export ballistic missile-related equipment and missile components, materials and technical expertise to countries in the middle east and Africa. The export of ballistic missiles and related technology is one of North Korea's major sources of hard currency.

It is against that background that the hon. Member for Bury, North has initiated this debate. He referred to the meeting in this Chamber that was attended by Michael Douglas, the United Nations peace ambassador, to which the Minister and I were privileged to contribute. I am not sure what that visit achieved. I know that Michael Douglas hoped to capture the imagination of the man in the street and raise the profile of the review conference, but I doubt whether that has happened. If a visit to Parliament by Michael Douglas cannot raise the profile on a lasting basis, I wonder what can. The man in the street is less concerned about such issues than in the 1960s, 1970s, 1980s and 1990s. Closing my eyes during the speech of the hon. Member for Islington, North (Mr. Corbyn), I could have been back in those decades, but I acknowledge that he has held those views consistently for many years.

The hon. Member for Bury, North welcomed the Russian Duma's ratification of the START 2 treaty, as do I. He quoted from position statements by the nuclear weapons states and the new agenda coalition. I would like to add to his questions on the Minister's attitude towards that coalition. The Minister must make the Government's policy clear, because we are getting mixed messages. The hon. Member for Islington, North rightly pointed out that CND and parliamentary CND do not currently agree with the Government. Nevertheless, the Minister, who is putting forward the Government's policy, remains a member of CND. That is incompatible with his ministerial duties, so perhaps he can tell us whether he feels that he should resign from CND. If he does resign, we shall feel better about his stance.

At the same time, and building on questions asked by the hon. Member for Bury, North, we need to know the Minister's attitude towards the American missile defence programme. The hon. Member for Bury, North mentioned Menwith, and the hon. Members for Islington, North and for Aberdeen, North (Mr. Savidge) referred to Fylingdales. What exchanges have taken place between the Minister and the Americans? Has he confirmed our support for the missile defence programme, or has he said that he has some difficulty in that regard? What is the Government's exact position? What has the Foreign and Commonwealth Office done to reassure the Americans of our continuing support? Today's debate has cast some doubt on the support expressed by certain members of the Government earlier this year.

Mr. Savidge: What is the position of members of the Opposition Front Bench? Some have spoken strongly in favour of national missile defence, but some prominent and experienced members of the Conservative party oppose it.

Mrs. Gillan: I thank the hon. Gentleman for that intervention. If he reads my speeches, he will see that I have always been extremely supportive of the Americans, and I do not seek decoupling of the defence arrangements between the United Kingdom and the United States.

The hon. Member for Putney (Mr. Colman) asked the Minister about Pakistan. We would be pleased to have an Adjournment debate on Pakistan, particularly as it is currently suspended from the Commonwealth. As was evident from what the hon. Member for Putney said, dialogue with Pakistan is continuing. I hope that the Minister will tell us what recent contact there has been, what diplomatic work has been done on proliferation and whether the issue of nuclear weapons was raised at the meeting of the Commonwealth Ministerial Action Group earlier this week.

The review conference is a process. The Minister should tell us what impression he has of the progress made to date. Does he perceive any problems in the process? Has he suggested how that process might be changed? What is his assessment of the effectiveness of the process? The hon. Member for Aberdeen, North hopes that a solution to the problem might be found at the conference, but it is obvious that it will be a continuing process. The Minister should tell us what the next stages will be, not only for this country, but for the five nuclear weapons states.

The four countries outside the process are just as important, and I would like to hear the Minister's assessment of the positions of Cuba, India, Israel and Pakistan. The hon. Member for Putney and others have sung the praises of Acronym and Rebecca Johnson, and I am happy to do likewise. I quote from Acronym 13:

> How the NPT parties address the nuclear capabilities of India, Israel and Pakistan may determine the future credibility of the regime as far as some significant non-nuclear weapon State Parties are concerned. The Treaty cannot admit new members without amending the definition of a NWS in its 1968 text (where a nuclear weapon state is defined as one which has manufactured and exploded a nuclear device prior to January 1, 1967).

What suggestions has the Minister made concerning those countries and about the problems associated with admitting new members under that definition? What progress has been made on that issue?

Many questions have been raised about Pakistan and India, and I would like to ask the Minister what comments have been made about China's role, specifically its support for Pakistan's nuclear programme. There seems to be general assistance to India and Pakistan to improve the safety of their nuclear-related command, control and communication systems. Does the Minister approve of that assistance, or does he believe that it legitimises the nuclear status of those two countries? What is the position of Her Majesty's Government?

I read on a website the Minister's contribution to the NPT review conference in New York on Monday 24 April. I was delighted to see that, significantly, he referred to three achievements. The first was

> the completion by no later than 1996 of the negotiation in the Conference on Disarmament for a Comprehensive Nuclear-Test-Ban Treaty (CTBT).

The second achievement, which was

> identified as particularly important by the parties to this Treaty at the 1995 Conference

was

> the negotiation of a treaty banning the production of fissile material.

[Mrs. Gillan]

The third was identified as

the determined pursuit by the nuclear-weapon States of systematic and progressive efforts to reduce nuclear weapons globally.

I was pleased to note that they were all agreed under the last Conservative Government, so I find it odd that he claimed that the Labour Government had transformed Britain's role in the nuclear disarmament process. That is slightly disingenuous of him, because great progress was made under previous Conservative Governments. It is a sad shame that that is rarely acknowledged in any arena.

The non-proliferation treaty process may not be perfect, but it has survived and fared well over the years. Certainly over the past five years nine new states have joined and only four remain outside. We must now move forward, building on the progress made on disarmament and peaceful co-operation, and make more progress on preventing proliferation, which has been such a serious challenge to the entire process. However, we must never forget that these weapons have helped to secure the peace. We must all support the international co-operation that enables us to work continuously to ensure that the world is safer and more secure.

12.15 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Peter Hain): I am grateful to my hon. Friend the Member for Bury, North (Mr. Chaytor) for giving us the opportunity to debate this important review conference on the nuclear non-proliferation treaty. I pay tribute to my hon. Friend the Member for Putney (Mr. Colman), who worked energetically on his private Member's Bill and deserves a great deal of credit for its achievement in nuclear safety regimes across the world.

My hon. Friend the Member for Islington, North (Mr. Corbyn), who has a long and honourable record of interest in and campaigning for nuclear disarmament, made a number of points, which I shall come back to, although I thought that he was audacious in inviting the hon. Member for Chesham and Amersham (Mrs. Gillan) to CND's offices. I do not want to intrude on private grief, but I think that it would be an enlightening experience for both of them.

My hon. Friend the Member for Aberdeen, North (Mr. Savidge), who contributed in his normal expert fashion, continues to enjoy my support for his work in chairing the all-party non-proliferation group.

In relation to the questions asked by the hon. Member for Chesham and Amersham, in our bilateral contacts with the new regime in Pakistan we have repeatedly stressed that it is in its interests to sign up to the non-proliferation treaty requirements and, in particular, to the comprehensive test ban treaty, and to adopt controls on the proliferation of nuclear weapons, which are undoubtedly a concern both to and from Pakistan. The visit of the Chief of Defence Staff, at our request, in early January, provided the vehicle for delivering that message firmly.

The NPT remains the main instrument for preventing the proliferation of nuclear weapons, and it is vital that the review conference succeeds. As my hon. Friend the Member for Bury, North said, there have been positive achievements during the past five years: nine states have become new parties to the treaty over that period; agreement has been reached on how to strengthen the safeguards system of the International Atomic Energy Agency; a number of new conventions relating to nuclear safety have come into force or have been opened for signature; and the United States and Russia have been busy implementing the START 1 reductions in their nuclear forces, while a comprehensive nuclear test ban treaty has been concluded and signed by all five of the NPT's nuclear weapons states, none of which has carried out a nuclear explosion since signing. Two nuclear weapons states—the United Kingdom and France—have ratified as well, while, in a welcome move, the Russian Duma recently approved ratification of the treaty. I congratulate it on so doing.

The United Kingdom, especially under this Labour Government, has been a leading force for nuclear disarmament. I acknowledge that some of it started before we came to power. In the past few years we have completed the dismantling of the maritime tactical nuclear weapons that we withdrew from service some time ago; we have withdrawn from service and dismantled all our air-delivered nuclear weapons so that now they are only submarine-based; and we are currently dismantling the Chevaline warheads from our old force of Polaris submarines.

As for Trident—Britain's only remaining nuclear system—we have reduced the number of operationally available warheads to fewer than 200. We have stated that only one submarine may be on patrol at a time, that it will carry 50 per cent. fewer warheads than the previously announced ceiling, and that it will operate at a reduced state of readiness. Furthermore, all our missiles have been de-targeted since May 1994.

The British Government have taken a number of other important steps over the past five years. We have signed and ratified the comprehensive nuclear test ban treaty, strongly supported efforts to establish the treaty's verification system—a crucial objective—and taken a leading role in efforts to persuade others to sign and ratify the treaty.

My hon. Friend the Member for Bury, North asked about the fissile material cut-off treaty. We have pressed hard for negotiations on such a treaty at the conference on disarmament in Geneva, and, despite the highly regrettable absence of progress there, we have taken steps to ensure that all British reprocessing and enrichment operations are now under Euratom safeguards and are either inspected or liable to inspection by the IAEA. We have also made it clear that when we are satisfied with the progress towards the global elimination of nuclear weapons, British nuclear weapons will be included in multilateral negotiations.

Furthermore, we have been transparent about the size of our stocks of nuclear material, military as well as civil. We have declared some of our previous military material as surplus to our defence requirements and taken steps to place it under safeguards arrangements. We have also carried out some initial work to account for our past production of fissile material for defence purposes, and begun to develop a pool of expertise in verifying the reduction and elimination of nuclear weapons that we are working to achieve.

Hon. Members who keep an eye on the Foreign Office website will know that I had the privilege of making many of those points at the NPT review conference on its opening day last month. Following my discussions in New York I believe that there is a widespread recognition that the United Kingdom is second to none among the nuclear weapons states in trying to move these matters in the right direction, but the path to nuclear disarmament is not one that we can walk alone.

Over the next five years, we will work towards securing universal adherence to the NPT treaty by pressing the only remaining non-parties—Cuba, India, Israel and Pakistan—to join the 187 countries that have already signed up to the NPT. We shall deal robustly with countries that renege on their commitment to the NPT, including Iraq and North Korea. We shall also play a leading role in making progress towards nuclear disarmament.

Central to further progress towards nuclear disarmament is the continuation of the strategic arms reduction process between the United States and Russia. I welcome the news that the Russian Duma and the federation council have now approved ratification of the START 2 treaty and its 1997 protocol. We urge the US Senate, which gave its consent to ratification of the treaty in January 1996, to give its consent to ratification of the 1997 protocol. We also urge progress in the current talks between the US and Russia on a START 3 treaty and the anti-ballistic missile treaty.

That brings me to the concerns expressed by several hon. Members about the potential impact on nuclear disarmament efforts of American interest in the establishment of a national missile defence system. A number of Members have expressed the fear that the deployment of such a system could set back the strategic arms reduction process between the United States and Russia, and could also be used by China as a justification for expanding her nuclear forces. Those are legitimate concerns, which the US also recognises. I had discussions on the matter in New York and Washington last week. Also legitimate are the concerns, felt not only by the United States, about the acquisition of long-range ballistic missiles by countries of concern. No responsible Government can afford to ignore that potential threat.

National missile defence raises thorny issues that require calm and measured dialogue. That is why we welcome the intensive discussions on these matters in which the US and Russia are currently engaged. Despite the obvious differences between the two sides, highlighted by the Russian Foreign Minister in his speech to the review conference last week, we hope that they can ultimately reach an agreement that will strike an appropriate balance between the competing considerations. We have made it clear to both sides that we continue to attach great importance to the strategic stability that the anti-ballistic missile treaty provides, and that we wish to see it preserved alongside global reinforcement of the nuclear non-proliferation regime. I made those points personally in the course of my recent visit to the United States.

Some hon. Members have asked about the Government's position on meeting any potential American requests to use facilities in this country for national missile defence purposes. Let me make it clear, once again, that the United States has not yet decided to deploy any NMD system, and has, therefore, not put a formal request to us to use facilities in this country for such a system. If such a request is made, we shall naturally consider it carefully, taking into account all the circumstances.

I have tried to be as frank as possible and I will not disguise the fact that the future of the nuclear disarmament process and the anti-ballistic missile treaty raises difficult and complex issues. I assure the House that the Government are working hard to encourage the United States and Russia to find a way forward that will meet the legitimate interests of all concerned and allow the positive progress made in reducing nuclear weapons during the past few years to continue. We hope that at the review conference the other parties to the nuclear non-proliferation treaty will not forget the vital need for early entry into force of the comprehensive nuclear test ban treaty and for an immediate start to negotiations on a fissile material cut-off treaty.

My hon. Friend the Member for Bury, North referred to the new agenda coalition. I welcome the contribution made by some non-nuclear weapons states, including that coalition, to the debate on measures that might be pursued in the next five years. We are studying closely the speech made by the Mexican Foreign Minister on behalf of those countries. I assure hon. Members that we are ready to engage in constructive discussion of those and other ideas. I held such discussions with the Irish and New Zealand Foreign Ministers, and with the South African delegation in New York.

I have instructed my officials still at the NPT in New York to discuss with the leading countries involved in the new agenda coalition—including New Zealand, South Africa and Ireland—amendments that would enable the UK to support their proposals to the conference. We agree with the vast majority of their proposals, but there are some sticking points, one of which is the proposal to demate warheads from delivery systems. In Britain at least, that is impossible, because our weapons are submarine based. I hope that we can obtain an agreement with the non-nuclear weapons states, because we overwhelmingly share their aims for nuclear disarmament. I ask my hon. Friend to think again about the need for an international conference. I do not want detract from the important NPT process.

We recently marked the 30th anniversary of the treaty's entry into force. It remains vital. We hope that all parties will recognise that the treaty continues to be overwhelmingly in their interests and those of the international community. As a nuclear weapons state that complies fully with the non-proliferation treaty, we want this important conference to take a giant leap forward, to curb the current threat of a new nuclear arms race and achieve our ultimate objective of a nuclear-free world.

The Labour Government have placed Britain in a unique pivotal role. We are a key member of the P5 nuclear weapons states, but also a country that the non-nuclear states can see as a friend in court, advancing our common objectives to reduce nuclear weapons proliferation. We agree with many of the non-nuclear weapons states that want faster progress towards nuclear disarmament, and we have tried to lead by example.

[Mr. Peter Hain]

When the cold war ended, many thought that the planet would be a safer place. The recent unblocking of the stalled disarmament discourse between Washington and Moscow has renewed that hope. I am pleased to tell the House that in a common statement made in New York on Monday, as a result of British efforts, all five nuclear weapons states declared that none of their nuclear weapons was targeted at any other state. That statement also contained an important confirmation of our unequivocal commitment to the ultimate goal of the complete elimination of nuclear weapons.

There is almost universal agreement that we need a united and vigorous response to tackle the problems of global insecurity and ensure that we have proper controls on the proliferation of nuclear, biological and chemical weapons. We must do all that we can to ensure that humankind does not jeopardise its own future and that of the planet. However, some states continue to challenge the objectives of the global non-proliferation regime. Although Iraq and North Korea are parties to the NPT, they have attempted to acquire nuclear weapons. India and Pakistan have carried out nuclear weapons tests. Israel's nuclear stance is seen by the non-nuclear states in the region as a factor complicating the middle east peace process, as my hon. Friend the Member for Putney said. There is a great deal of work to do, but Britain is leading the way in accomplishing it.

Mr. Deputy Speaker (Mr. John McWilliam): Hon. Members who do not wish to stay for the next debate, which looks absolutely fascinating, please leave quietly now so that we can get on.

Diastasis Symphysis Pubis

12.30 pm

Dr. Stephen Ladyman (South Thanet): This is my first experience of Westminster Hall. I was a strong supporter of the experiment when it started, but I did not realise that it would be as difficult to be drawn out of the hat as it is to get six winning numbers on a Saturday night in the national lottery. This is my first opportunity to open a debate here, and I am delighted that it is to be a debate on the subject of diastasis symphysis pubis. I have discovered that if one wants to attract the interest of colleagues and journalists in a debate, it is a good idea to have a title that nobody understands; I have had dozens of calls from people who wanted me to explain it to them.

If my persistence in seeking the debate has paid off, it has been nothing like the persistence of my constituent Mrs. Angie Lambert, who suffered chronic pain during and subsequent to her pregnancies in 1992 and 1994. She received no adequate support to deal with that pain, no explanation of it and no suitable treatment, but she would not accept that it was the norm and that pregnant women must put up with it. She was told that pregnant women must face that sort of pain and had to grin and bear it, and that it went with the job of having children.

Mrs. Lambert began to research the subject and came across an article entitled "Mind the gap" by Margaret Polden, then the superintendent obstetric physiotherapist at Hammersmith hospital. When Mrs. Lambert read the article she realised that she had been suffering from one of a group of conditions called symphysis pubis dysfunction, or SPD. In particular, she was suffering from the condition known as diastasis symphysis pubis, or DSP. She found that there was no organisation to provide care for that condition, or advice about its treatment. Having been encouraged to do so by Mrs. Polden, she set up the British DSP support group, which has subsequently been renamed the British SPD support group. So far as I am aware, it is the world's only support group for the condition. It is based in my constituency in an office in Ramsgate.

The group is responsible for raising awareness of the condition, among other things. As part of that process, and for the benefit of all the parliamentary colleagues who have, I hope, switched on monitors around the Palace of Westminster to find out what diastasis symphysis pubis means, I will briefly describe the condition.

There are three major bones in the pelvic girdle. The one at the centre is called the sacrum, to which the backbone is attached at the base of the spine. To the side are two curved bones, which join the sacrum at the back and curve forward and are jointed at the front. The joint at the front is called the symphysis pubis; the bones are held together by ligaments, and the gap in the joint would usually measure around 4 mm to 5 mm. The ligaments soften as a result of the hormones produced during pregnancy, and the joint moves apart slightly, possibly by another 2 mm to 3 mm, to facilitate the delivery of the baby. A gap of 9 mm would be considered normal during pregnancy, but if that gap gets too large or if after birth the ligaments do not toughen up and the gap does not close down again, problems arise. The condition known as diastasis symphysis pubis occurs when the gap has grown beyond 10 mm.

The consequences of the condition are chronic back pain, shooting pains in the legs, suprapubic pain, sacroiliac or lumbar pain, radiating pains to the buttocks, groin and legs, and tenderness. The woman will often walk with a waddling gait because she cannot walk normally. She will find it difficult to walk with normal long strides and will have difficulty in moving her legs. She will be unable to get in and out of a car, turn over in bed and climb the stairs. She will find it difficult to do the shopping and normal household activities. Sexual intercourse becomes difficult, and the woman often experiences loss of self-esteem and depression. Many women find that the quality of their lives is severely affected by SPD.

Many women cannot lift their babies out of their cots to cuddle them, which can be distressing for a mother with a newborn baby. A woman will find it difficult to sit on the carpet and play with her new baby, which is one of the pleasures of close bonding. She will feel cheated out of that experience and will consequently often face depression. Her marriage may be affected, and family relationships often suffer. Her sex life and social life can be affected. Women who intend to return to work can find employment difficult, and obvious financial problems result. Depression, resentment, anger, lack of self-esteem, frustration and lack of confidence are all common.

On top of that, the medical profession finds it difficult to recognise the condition and to provide appropriate levels of support, because awareness of the condition is not high. The woman will therefore often find that nobody believes in her. She is almost told to go away and pull herself together, with the words, "This is normal—it's just a bit of backache, which will disappear. Take a couple of aspirins." In fact, the condition is anything but normal. Once it has been recognised, it can be managed very well and treated, but it is seldom recognised.

As the Member of Parliament for the constituency in which the support group is based, I have had many telephone calls from men throughout the country who have said, "My partner has had this condition for months. My life has been made a misery because of the difficulty that she has been having. Nobody told her what she was suffering from or what to do about it. We have just found out about it by accident. Somebody has introduced us to the support group, and we are now getting help. What are you doing as the MP to make people aware of the condition?" One thing that I hope will come out of today's debate is that people will become aware of the condition and the Department will start to follow that up.

There are slightly more than 700,000 pregnancies each year in the UK. About one woman in 250, or close to 3,000 women will probably suffer from SPD in one form or another. Of those 3,000 women, only 45 per cent.—or 1,300 women—are ever put in touch with the SPD support group. It is the only group that supports such women, so one must assume that 1,700 other women who suffer from the condition are never given appropriate counsel.

Doctors still are not taught about DSP and SPD. During training, they receive only a basic knowledge of ligament pain and are not given specific details about the condition. Many hospital trusts have no specialists who can spot it, and many women suffer for months without it being recognised. Once you know that you have the condition, your lifestyle can be assessed and you can be given advice to help you manage the pain and the condition and to bring about comfort, if not a cure.

Mr. Deputy Speaker (Mr. John McWilliam): Order. The hon. Gentleman is using the word "you". When he uses it, he refers to me, and, in the circumstances, I am physiologically incapable of having the condition.

Dr. Ladyman: My great apologies, Mr. Deputy Speaker, but I am sure that you will now be able to counsel appropriately constituents who come to you with this problem.

Once the condition is recognised, an individual can be counselled to address the matter. Postural advice is especially important. Osteopathy and chiropractic treatment can bring a great deal of relief, as can the Alexander technique. Generally, a plan can be put in place to manage the condition and the pain associated with it. The first step is for doctors to recognise the condition and for the woman to be put in touch with people who can help and advise her.

I have various questions that I want my hon. Friend the Under-Secretary to address. I know that she has addressed the first, which is an issue that gives weight to the support group's view that nobody is taking the condition seriously. The group wrote to Her Majesty the Queen some months ago, to bring the matter to her attention, and Her Majesty wrote back to say that she would bring it to the attention of the Secretary of State. The Secretary of State did not respond. The group wrote directly to the Secretary of State, but he still did not respond. It wrote to me and asked me to obtain a reply from the Secretary of State. I wrote to him, and, lo, no response came. The letter still has not received a reply. I understand that my hon. Friend the Under-Secretary has managed to track down that correspondence, and she assured me that there will be a response. However, I am sure that she will understand that that has added to the feeling that nobody really cares about the condition.

Why are doctors still not being taught about the two conditions? What steps can the Government take, presumably through the Royal College of Obstetricians and Gynaecologists, to ensure that such study is included in doctors' training? We would like the Under-Secretary to consider making osteopathy and chiropractic treatment available on the national health service to women who have been identified as having the condition. The Department of Health should consider an awareness campaign, not only within the medical profession but in clinics that women attend for check-ups. Consequently, if a woman should start to experience such chronic pain, before or after her baby is born, she will at least know that there is a group that can advise her. Alternatively, she can ask her general practitioner whether he has considered that she might have SPD or DSP, and ask him to put her in touch with the support group. It is likely that the condition is often made worse by midwives using a technique called lithotomy, whereby a woman gives birth with her feet in stirrups or on the hip of the midwife. The support group believes that midwives should give serious consideration to the use of that position, given the possibility that women might suffer from SPD or DSP following the birth.

[Dr. Ladyman]

Those are key points, but I would like my hon. Friend the Under-Secretary to consider a further point, on which she does not need to take immediate action, but which she should start to think about—the future funding of the support group. It has been funded for three years on a generous lottery grant, which the group was thrilled to receive. However, that funding runs out next year. Prior to the lottery grant, grants were made available through the Department of Health for the group's work. We must consider what will happen if there is no renewal of the lottery grant, because the group provides a vital service to women suffering from the condition. Will the Under-Secretary also consider whether the Department might fund a lecturer to tour medical colleges and hospital trusts to raise awareness of the condition. It is a debilitating condition for many hundreds—probably thousands—of women. It can absolutely ruin what should be the greatest experience of a woman's life: having a baby and looking after that child in its first months. Not only can the condition destroy that experience for many women, it can destroy their family and social life. We must start taking it much more seriously. I congratulate Mrs. Lambert and her excellent team in my constituency for their work. I wish to encourage my hon. Friend the Minister to pick up the baton carried by that group of people and ensure that the Department of Health carries it forward.

12.45 pm

The Parliamentary Under-Secretary of State for Health (Yvette Cooper): I congratulate my hon. Friend the Member for South Thanet (Dr. Ladyman) on securing this debate on diastasis symphysis pubis and on the care with which he is representing his constituents' interests in such matters. He gave a powerful description of the problem and of the health, emotional and social consequences of the condition. As my hon. Friend described, diastasis symphysis pubis—DSP—and the more common condition, symphysis pubis dysfunction—SPD—are conditions that occur in pregnancy and affect the front joint of the pelvis, which can cause considerable pain. It can take some time for that pain to relieve completely after the birth, and physiotherapy is often helpful in managing the condition. My hon. Friend has made very clear the extent to which DSP and SPD are misunderstood, can remain undiagnosed and cause considerable misery and distress for sufferers and their families.

SDP and DSP are characterised by pain over the symphysis pubis joint. They can cause considerable pain in the hips, groin, lower abdomen and inner thighs. The extent and the severity of the condition vary from woman to woman, but there is no doubt that it can have a significant impact on the physical and emotional well-being of sufferers. I assure my hon. Friend that I take seriously and have listened carefully to the points that he raised about the condition. I want to deal now with some of matters to which he referred, and I shall later follow up some of his other points in my Department.

I agree that raising awareness of the condition is important. SDP and DSP may be difficult to diagnose and raising the issue more widely will make more health professionals aware of the symptoms and better placed to respond speedily and appropriately. I share my hon. Friend's concern and that of his constituents to see services for women who suffer from such conditions continuing to develop and improve.

We are aware of the concerns of various patients' groups. I wish to take this opportunity to apologise to my hon. Friend's constituent, Mrs. Lambert. We cannot find her original correspondence in the Department of Health. I apologise for the delay in replying to my hon. Friend's letter, a copy of which we have. After receiving his letter, to which he attached the correspondence from Mrs. Lambert and the support group, we have asked the Royal College of Obstetricians and Gynaecologists to consider the issue further and, if necessary, to reinforce its advice to members.

I understand that the college's scientific advisory committee has put the issue on the agenda of the meeting to be held on 16 June and I am sure that any guidance forthcoming from the college will help the medical profession better to recognise those women who are in need of specialist care. We are also aware of concerns about the low level of interest and awareness of DSP among health professionals, particularly general practitioners, and the wide variation in referral habits. We recognise that the pain and disability accompanying DSP and SPD can be minimised through early diagnosis and appropriate management, as my hon. Friend described. It is clear that such conditions will require expert knowledge.

It is encouraging to note that a small, but steadily increasing, number of health professionals are developing an interest in DSP and SPD. For some GPs, that has led to developing competence in diagnosis, changing and adjusting treatment and providing support and advice. A number of midwives are also taking an interest in DSP and SPD, and specialist obstetric physiotherapists are making a valuable contribution to the development of expertise in treatment. Much can be learned from their experiences. It is unlikely that individual health professionals will see more than one or two cases of DSP a year, if that—though they may see considerably more cases of SPD—so it is vital that they receive help to enable them to identify more easily women who present with symptoms.

The Government have done much to promote and disseminate good practice that has been built up in maternity care, and in health services generally. The national health service learning network, for example, has been designed to help the NHS to modernise and to boost the spread of good practice in service delivery and management. The network combines the best of bottom-up learning from the service with practical help and know-how from national initiatives. We must see how we can use the learning network to disseminate best practice further in such areas as DSP and SPD.

The Government continue to provide central funding to support maternity service liaison committees, which facilitate the sharing of information about good practice and local initiatives. The committees embody the type of patient-professional partnership that we want to flourish, giving service users the opportunity to work with health professionals to develop appropriate and responsive local services that put the patient at the heart of NHS services.

The development of primary care groups will present an opportunity to explore new models of care delivery, and people with conditions such as DSP and SPD will be able to influence change as the new NHS unfolds. Service users and voluntary groups such as my hon. Friend's constituents' organisation will play a special role in that process.

My hon. Friend is right that people are better informed today, but they also expect better information. The case that he described of his constituent seeking more information about her condition is typical: people increasingly, and rightly, want to know about their illnesses and the services that they need to manage them. That is why the starting point for a modern care system in the NHS is as a provider of information as well as a provider of treatment. In maternity services as in any other aspect of health care, communication and information are key aspects of good quality and effective care. We welcome the development of self-help groups, and I pay tribute to the work of the DSP support group—the SPD support group, as it now is—and its valuable role in raising awareness and helping sufferers of this distressing condition. I shall look into my hon. Friend's points about raising awareness of the support group and about its long-term future.

Concern has been raised in some quarters that women may be denied access to elective caesareans as a preventive measure. I take that point seriously, because a fundamental principle of "Changing Childbirth" and the Government's approach to maternity services is that women should be free to choose the care that they feel is most suitable. The woman must be the focus of maternity care and feel that she is in control of what is happening and able to explore and discuss her wishes regarding the birth with those who care for her.

The Government are funding a national audit on caesarean sections by the Royal College of Obstetricians and Gynaecologists to develop standards and monitor the wide variations across the country in the number of caesarean sections carried out. We hope to learn lessons from that audit.

My hon. Friend mentioned other issues relating to maternity care, including the position in which women give birth. I shall respond by reflecting on the broader principles that guide our approach to maternity services.

We have made it clear that the ethos of women-centred care, with the emphasis on appropriate, effective and accessible care, must drive all maternity services. Since the publication of "Changing Childbirth" in 1993, Government policy has consistently and successfully promoted that ethos. We remain committed to those principles and to ensuring that women receive the clear and unbiased information that they need to make informed choices about their care.

Huge advances have been made in changing women's experience during pregnancy and childbirth. Women are more actively involved in making decisions about the maternity services that they receive and no longer have to make do with what is decided for them by others. That clearly includes the position in which they give birth, which is even more important for women suffering from DSP or SPD. We expect midwives to discuss with women the most comfortable position for them. Giving birth with one's feet up in stirrups or lying flat on one's back is considered to be old-fashioned by modern midwifery and obstetric practice.

The overriding expectation of pregnant women, their partners and families and the health professionals who care for them is a safe pregnancy and delivery and a healthy mother and baby, but childbirth is about more than safety. Maternity services exist to support the whole family, not simply during pregnancy and childbirth, but after the birth too. That must include managing conditions such as the DSP and the SPD to which my hon. Friend referred.

My hon. Friend also mentioned the availability of osteopathy and chiropractic, and other additional support and treatment for women suffering from SPD. The decision to commission services is a local one and must carefully balance clinical priorities with cost-effectiveness as well as taking into account the local population's needs. We are examining the commissioning of alternative therapies, and osteopathy and chiropractic treatment must be considered in that context.

My hon. Friend raised some crucial issues in this morning's debate. He deserves credit for initiating it and for raising awareness of this subject. We know that we have a long way to go to improve maternity services and care for patients with all kinds of conditions; we must not be complacent about the care and support provided by any part of the NHS. I commend the work done by the support group mentioned by my hon. Friend. I hope that referral of the issues to the Royal College and the consideration that it will give to them will help to take this matter further. I shall also consider the additional issues raised by my hon. Friend about extending awareness and about the future of the support group.

I hope that my remarks emphasise the Government's on-going commitment to the principle of good-quality, women-centred maternity services and support for all the conditions that women may experience during pregnancy, labour and childbirth. The initiatives that I have described today can make a difference in improving awareness, prevention, treatment and swifter diagnosis and can spare many women the misery and discomfort of DSP and SPD.

Mental Health Services (Sutton)

12.58 pm

Mr. Tom Brake (Carshalton and Wallington): I welcome the opportunity for this Adjournment debate and am grateful for the chance to speak about important issues surrounding mental health services in the London borough of Sutton and beyond. I shall keep my comments relatively short, to enable my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) to make some comments.

The timing of the debate is fitting, as it follows the "Saving Lives" debate at St. George's hospital on 25 February. That debate focused on the Government's target to reduce the rate of suicide in the mental health service and explored people's vulnerability when they feel unwell, raising many issues relevant to Sutton that are worthy of debate.

It may be helpful if I provide a brief history of developments in mental health services in Sutton over the past 12 months. In 1999, Sutton's services merged with Springfield university hospital to found the South-West London and St. George's Mental Health national health service trust. The trust's geographical boundaries encompass Wandsworth, Merton and Sutton.

The Minister will be aware of the cuts—euphemistically termed efficiency savings—that threaten many mental health services, and the pressure that they put on trusts to limit services. Our local trust needs to make efficiency savings of about £200,000. Since the merger, the trust has concerned itself with making savings in respect of day care in Sutton. Of the three boroughs covered by the trust, Sutton is at a disadvantage. That is ironic, given that it is thought to be rich in services. Services in Sutton could therefore be seen as an easy target for money-saving schemes. The trust has no deficit, so it will not benefit from the first tranche of new NHS money.

After a lengthy day care review, the closure of Chiltern day hospital was proposed. The hospital often provides out-patient care for people with acute mental health problems as an alternative to in-patient treatment, or following discharge from hospital. The therapeutic community treatment programme consists of sociotherapy, psychotherapy, occupational therapy and drug treatment. Many people, including professionals and clients, campaigned against the threat of closure because the hospital provides an invaluable service. Indeed, my hon. Friend the Member for Sutton and Cheam and I campaigned on that very issue.

I am pleased that the proposal to close the hospital has been withdrawn. The trust is taking a holistic view and reviewing mental health adult care services in Sutton as a whole. However, the need remains to identify savings of £200,000. It is clear that savings on that scale will leave mental health services in Sutton depleted, and cast doubt on the future of Chiltern day hospital and the Wallington and Cheam resource centres.

The "Saving Lives" debate to which I referred revealed sobering facts that highlight the importance of appropriate after-care. The 1999 report, by the national inquiry into suicide and homicide by people with mental illness, stated that

> 24 per cent. of suicides occurred within three months of discharge from in-patient care...These post-discharge suicides were at a peak in the first week after leaving hospital; within the first week, the highest number occurred on the day after discharge...41 per cent. of post-discharge suicides occurred before the first follow-up appointment.

It will be clear to the Minister that those are worrying statistics. If we are to achieve the Government's targets for reducing suicide rates, we need services that provide community care for people at the vulnerable time immediately after discharge.

On that issue, I want to raise the tragic case of 30-year-old Kevin Thadani, who was diagnosed as a paranoid schizophrenic. Mr. Thadani was found dead on Mitcham common six weeks after being discharged from the Jasper ward of Sutton hospital. He died from hypothermia, and the coroner recorded a verdict of misadventure. Mr. Thadani had a long medical history, and the Minister will note from the diagnosis that he was a vulnerable man.

After only a few weeks of in-patient care, Mr. Thadani was discharged into an unsupported bed-and-breakfast in Streatham, despite indications that he needed supported accommodation. Although Mr. Thadani had asked to be closer to London to increase his chances of getting a job, the bed-and-breakfast was unsuitable in other respects. Apparently, it is in a well-known red light district of Tooting Bec common. The Minister will agree that that is not the most suitable place for a person who is feeling unstable. As far as I am aware, no provisions were made for Mr. Thadani, apart from breakfast at the bed-and-breakfast, and presumably he spent considerable periods of time isolated in his room.

Mr. Thadani's absence was not reported immediately, and his appearance after death suggested that he had been living rough for several weeks. Clearly, he was a man who needed continuing care and support to maintain his mental health. Appointments with his community mental health team were not enough for him to sustain his health.

I know that that is not an isolated case of a person with mental health difficulties being discharged into an unwelcoming and possibly frightening situation, which results in a relapse. That raises the question of why tragedies like Mr. Thadani's death occur. The Government are rightly keen to emphasise the importance of community care, but this case represents an example of the failure of community care.

Could the mental health services and the local authority have done more to support Mr. Thadani? The answer must be yes. An ideal, but not unrealistic, alternative to his follow-up care would have been supported accommodation and a referral to one of the day care services in Sutton or a neighbouring borough, if that was where he was resident. That would have ensured that someone had continuing responsibility for Kevin's care.

The Minister will remember the sobering statistics that I mentioned earlier about the high risk time for suicide, and therefore relapse, in the first 24 hours. The Chiltern day hospital, which was under threat of closure, provides an assessment within 24 hours of discharge from hospital, thereby acting as a safety net for many vulnerable people.

Other valuable day care services in Sutton—Wallington resource centre and Cheam resource centre—provide continuing care for people with acute and long-term mental health problems. The centres' treatment is similar to that of the Chiltern day hospital. They integrate activities within the wider community and in educational and employment services, and treatment is provided in a non-clinical environment.

The majority of people with mental health problems receive little appropriate support from families and live isolated lives, thus increasing the risk to their health. Services such as the resource centres and Chiltern day hospital are invaluable in providing people with a regular routine and social interaction. As we have seen from the case of Kevin Thadani, the lack of effective and regular community support can result in tragedy. I therefore ask the Minister not only to support the concept of day care services in Sutton and elsewhere, but to invest nationally in preventive and containing community treatment.

It is worrying that neither Mr. Thadani's absence nor missed appointments were apparently followed up. I would be grateful if the Minister could comment on that. The case of Mr. Thadani also reflects the importance of appropriate housing for people with mental health problems. It raises the question of whether the council should be made more aware of the needs of people with mental health problems, which is necessary for better liaison between clinicians and the council. Bed-and-breakfast accommodation is rarely sufficient for a vulnerable person and is often an isolating and insecure experience. Many good supported housing associations operate in Sutton, such as Croydon Churches and Sutton Community Development Trust, which provide supported flats for people with mental health needs. Support includes practical help, monitoring of health, emotional support, social interaction and liaison with clinical services. Finding appropriate housing is extremely difficult, and is becoming more so, yet it is a fundamental necessity. If a person's housing is not right, their mental health often deteriorates.

A further concern is the emergency procedure that is available in respect of Sutton's local NHS trust. People in crisis or feeling unwell either have to contact their general practitioner or go to St. Helier accident and emergency unit for a referral to the on-call psychiatrist. Out of hours, it is extremely difficult to contact a GP, especially one who is familiar with the patient's case. A patient who chooses instead to go to the A and E unit may face a very long wait. A constituent of mine in a suicidal state had to wait six hours to see the casualty doctor before the psychiatrist was called. She said that psychiatric emergencies are often treated with a degree of ignorance or derision, which often deters people from asking for the help that they need. A and E procedure needs to be changed to make the mental health services more easily accessible to people who are at their most vulnerable.

I want to raise several further points to which I hope the Minister will respond either in this debate or in writing. Will he comment on the practice of placing in appropriate housing homeless people who have been discharged from hospital and who have a history of mental health difficulties? What action will be taken? I appreciate that supplying all types of housing is a major problem, but supplying affordable, supported or appropriate accommodation to people who have mental health problems is an even greater problem. What action will be taken?

What steps will the Minister take to prevent tragedies such as that involving Mr. Thadani's death, and to lower the risk of suicide in Sutton and elsewhere? The case to which I referred is just one among many. There is only one course of action that the local mental health services in my constituency could adopt to prevent tragedies such as that involving Mr. Thadani, and help to meet the targets for reducing the suicide rate—they should continue to invest in mental health services locally, and not attempt to make efficiency savings.

I ask for the Minister's support in raising the profile of mental health issues in the health service generally. The need for that was put to me forcefully when I discussed the matter with people on the trust. There may be a reluctance to talk about mental health issues, and Members of Parliament may be reluctant to support that valuable service. What action will the Minister take in that regard?

Finally, I express my gratitude to Kevin Thadani's brother, Joe, and his parents, for allowing me to refer to Kevin Thadani's case. That enabled me to highlight my concerns about mental health services. I am aware that this is a painful issue for Joe and his family, but if firm action is taken—it cannot guarantee that such a tragedy will never reoccur, but it could reduce the risk—Joe may feel that Kevin did not lose his life in vain.

1.12 pm

Mr. Paul Burstow (Sutton and Cheam): I thank my hon. Friend the Member for Carshalton and Wallington (Mr. Brake) for initiating this debate.

My hon. Friend referred to the review that the South-West London and St. George's Mental Health NHS trust undertook last year in relation to day care—it proposed closing the Chiltern day hospital. Hon. Members will not be surprised to learn that that proposal went down like a lead balloon with service users, carers and staff, who felt that the trust failed to understand the hospital's role of assessing, containing and treating people with acute mental health problems. Users of the service and staff told me that the system works like a safety valve, because it prevents the need for in-patient admissions. Closing the hospital represents a false economy for service users and perhaps for the trust's budgets. Closure would have an impact on acute mental health patients and on the resource centres that provide day care services in Sutton. There are two centres in the borough—Wallington resource centre, which is in my hon. Friend's constituency, and Cheam resource centre, which is in mine. The closure of the day hospital would dilute their work and convert them into an integrated service. They would lose their client focus and client-centred approach to those who suffer from chronic mental health problems. Staff at the resource centres were worried that the case management systems that they had established would have been undermined by such changes. An audit of the work of resource centres was undertaken in Wallington and revealed their considerable value in reducing re-admission rates into the acute sector. There is great concern that service changes would have been to the detriment of many of

[Mr. Paul Burstow]

the service users instead of for their benefit. One concern about the closure was that it would lead to a focus on acute mental health problems at the expense of chronic mental health patients.

The staff told me that they had a sense of déjà vu because, 10 years ago, the service was configured to integrate acute and chronic mental health service users under the same provision. A review found that service was not being delivered to the satisfaction of either group and was not providing the best outcome for either group. We are seeing the recycling of old ideas that have failed previously but are being brought back into service. That seems to be due, at least in part, to financial imperatives in the trust's budgets.

As part of the review, I visited Cheam resource centre and Chiltern day hospital. As a consequence of my discussions, I asked 14 questions in letters to the trust management. I have not yet received replies to those questions, but, as my hon. Friend rightly said, thanks to the campaigning of service users and others, the plans have been abandoned or put on the shelf. We hope that they will gather dust for many years.

We now have a review of the trust's services and the remit has been widened, which is welcome. The local authority is about to start a best value review of its mental health services. That provides an opportunity to consider the concerns of my hon. Friend by widening it to examine issues affecting housing and the integration of services. They work well together, but, as my hon. Friend's case demonstrates, they do not work well enough. More needs to be done to ensure that the national service framework is being properly implemented and that the new emerging mental health strategy in Sutton is fully implemented. Those should be the key criteria for developing services in Sutton, and I hope that the Minister will be able to give some assurance on that.

1.17 pm

The Minister of State, Department of Health (Mr. John Hutton): First, I congratulate the hon. Member for Carshalton and Wallington (Mr. Brake) on securing this debate on mental health services. It is unusual for hon. Members to have the opportunity to discuss mental health services, which is a shame given their importance to millions of citizens. It is not often appreciated that mental health problems are as common as asthma in our society and at any one moment 6 million people in Britain may need support from the NHS or local authorities to help them to deal with mental health problems. Anything that we can do in this Chamber to raise the profile of mental health services would be welcome.

The hon. Gentleman asked me to take more steps to encourage the development of mental health services and to provide some leadership. We are trying to do that. We have made mental health services our top priority for the NHS and I shall say more about that shortly. It is important in this debate to be honest with each other. Mental health services have been neglected and undervalued for decades in the NHS and we must put that right because those services are crucial to many vulnerable people. The hon. Gentleman referred to the specific and tragic case of Mr. Thadani in his constituency. The history of mental health services is littered with such tragic cases in which things could be been done differently with a better outcome for patients and their families.

We must make a big change in the quality and consistency of mental health services and we are trying to do that. The hon. Gentleman may be interested to know that later this year I shall visit every part of the country to talk to chief executives and chairs of trusts and others about implementation of the national service framework. The hon. Member for Sutton and Cheam (Mr. Burstow) asked us to do more to implement the national service framework, but it came into operation on 1 April, so it is only a month old. We must be realistic. There is a lot of work to do to ensure that all the standards identified in the national service framework are translated into front-line services. Some health authorities are starting from a different position and are further advanced in developing the standards. There may be a significant need to do more in the hon. Gentleman's constituency and that of his hon. Friend the hon. Member for Sutton and Cheam and I shall not argue about that. The hon. Gentlemen have put forward strong arguments for change and improvement and we would certainly encourage that. However, I would like to pick up on the impression that they gave, perhaps inadvertently, that health services in Merton, Sutton and Wandsworth are experiencing a contraction of funding. That is not the case. The health authority in that area is receiving more than £30 million in additional funds in this financial year.

I believe that the hon. Member for Carshalton and Wallington has served on a local authority—the hon. Member for Sutton and Cheam certainly has—and I am sure that he would argue that there is always a justification for ensuring that money is being used efficiently and effectively. Best value for money should be a principle that unites everyone in the House, rather than causing divisions and arguments between us. There is a strong case for ensuring that services are provided efficiently and effectively, but it would be wrong for the hon. Gentlemen to give the impression, albeit inadvertently, that mental health services are having their money cut in Merton, Sutton and Wandsworth. That is most definitely not the case.

Mr. Brake: I checked my facts yesterday, and had a discussion with Duncan Selby, the chief executive of the trust. He thought that the trust would be required to make savings of £200,000—he used the euphemism "savings"—and he was worried about the impact that that would have.

Mr. Hutton: I am grateful to the hon. Gentleman for making that point. However, what he and the hon. Member for Sutton and Cheam failed to point out was that the situation needs to be set in the context of £30 million of additional money going into the health authority of which his constituency forms a part. The NHS is growing in his constituency. Its capacity to provide better quality front-line services is increasing in Sutton, and I am sure that the hon. Gentleman will welcome that as everyone else does.

The hon. Gentleman made two more points to which I would like to respond briefly. He is right on these points, and I would not wish to take issue with him over

them. He stressed the need for better partnership working between local authorities and the NHS in relation to mental health services. There is a strong need for closer, better integration of services between local authorities and health authorities and trusts in providing services for people with mental health problems.

I cannot think of a better example of the need for better partnership working, because the needs of people with mental health problems will not be met simply by the NHS. They will be met by a combination of services and different providers, not necessarily under the local authority umbrella, in relation to housing, social support and other services that are not the preserve of the national health service. If people with mental health problems are to recover as we want them to, and to lead normal, fulfilling, natural lives, they will need a range of other support services that the NHS cannot provide. We recognise the need for the networks of social support and proper housing that the hon. Gentleman mentioned and we are taking steps to improve them.

The hon. Gentleman also made the important point that in Sutton, as elsewhere, there is a strong need for round-the-clock access, especially to services for people with severe mental illness. He referred to his constituent Mr. Thadani in that context. We are making significant investments—I shall spell out in more detail in a moment the areas to which they will apply—to ensure that mental health services are available round the clock. People with mental health problems do not have them only from 9 to 5.

Mr. Burstow: Does the Minister agree that, in view of the fact that we are to have two reviews of mental health services—the best value review by the local authority and a review by the trust—it would be desirable to have either one review or two very closely integrated reviews?

Mr. Hutton: Yes, I agree with the hon. Gentleman on that point. As partnership working in mental health services becomes the norm, there is an obvious case—especially in relation to pooled budgets and integrated service provision—for the best value regime to be common to both parts of the services. We are not quite at that point yet in relation to services in Sutton, but I hope that we shall get there sooner rather than later.

Leaving aside those general points, I should like to return to some of the specific points raised by the hon. Member for Carshalton and Wallington. I was sorry to hear of the tragic case that he described, and I offer my sympathy to those who knew Mr. Thadani at what must be a sad and difficult time for his family. The hon. Gentleman will appreciate that it would be inappropriate for me to go into detail today about the circumstances of the case, or to draw any conclusions from it. South-West London and St. George's Mental Health NHS trust and the London borough of Sutton social services department are conducting an investigation into the circumstances leading to Mr. Thadani's death.

I offer my sympathy to those who knew Mr. Thadani at what must be a sad and difficult time for his family. As the hon. Gentleman will appreciate, it would not be appropriate for me to talk in detail today about the circumstances of the case or to draw any conclusions from it. As he will be aware, an investigation by the South-West London and St. George's Mental Health NHS trust and the London borough of Sutton housing and social services department is being carried out into the circumstances that led to the death of Mr. Thadani. Both organisations have agreed to an independent membership of the joint investigation team. The investigation's objective is to establish the circumstances and the reasons for the tragedy. I hope that the hon. Gentleman agrees that that is the best way to ascertain the facts and, by learning from the problems of individual cases, to avoid repetition in the future. We are determined to ensure that service failures are not followed by tragedies in individual cases. We want to ensure that services are comprehensive and effective and to learn any lessons that need to be learned from this terrible case.

I shall refer to the points made by the hon. Members for Carshalton and Wallington and for Sutton and Cheam on mental health services generally before I consider the specific circumstances relating to Sutton. A number of problems have been identified in mental health services: not enough joint working between health and social care; inadequate investment; problems with professional demarcations; problems brought about by a lack of effective, integrated services. Those problems mean that despite the strong commitment and invaluable hard work of those delivering the care services, we have not always managed to deliver the seamless, accessible and effective services that people want, need and deserve. Yes, there are continuing problems; there is much room for significant improvement. Things are not entirely as we and the hon. Member for Carshalton and Wallington and his hon. Friend would wish. It would be foolish to pretend that things are perfect and I shall not do so.

I can say with confidence, however, that although there is a long way to go, the Government, the national health service, social services and the other stakeholders are rising to the challenge. In the national service framework, we produced one of the most widely welcomed statements on the development of mental health services in many years. Mental health services will no longer be the Cinderella service of the national health service; improving mental health services is one of the Government's top priorities for the NHS. The national service framework provides us with a unique opportunity to build on examples of good and innovative practice throughout the country. That will benefit the hon. Gentleman's constituents in Sutton as it will people in other parts of the country.

Every health authority is developing its local implementation plans for ensuring that the national service framework becomes operative and effective locally. Significant amounts of additional investment are going to improve mental health services. We have identified £700 million in the existing comprehensive spending review period to invest for that purpose. A significant amount of that investment will go into the areas to which the hon. Gentlemen referred: improving access to round-the-clock services, more assertive outreach teams, greater access to 24-hour staff care, a different mix of beds and secure accommodation for people with mental health problems and, most importantly, we are investing significantly to ensure that

[Mr. Hutton]

there is greater use of the atypical anti-psychotic drugs, a matter that I know interests the hon. Gentleman and the hon. Member for Sutton and Cheam.

I have stated some of the priorities in terms of investment in mental health services nationally. Although he did not refer to it, the hon. Member for Sutton and Cheam will be aware of the new mental health strategy document for London, "Health Services in London—A Strategic Review". It is an important context in which to discuss mental health services in Sutton.

This is the first time that a Government have attempted a comprehensive mental health strategy for any of the regional offices in the United Kingdom and the first one that we have been able to prepare, develop and launch covers London. It is a strategic blueprint; it is not about individual boroughs and their health plans, but it provides us with a context in which future mental health services in Sutton can be expanded, developed and enhanced.

There are some good news stories in Sutton mental health services; for example, there is better access for Sutton residents to specialist drug and alcohol services and a dedicated in-patient unit on the Springfield site. I hope that there will be better use of mental health beds in Sutton, which will mean that residents will have access to services locally and do not have to travel to other parts of London for treatment. Clients on an enhanced care programme approach—the seriously mentally ill—will have better access to services 24 hours a day all year round and to a duty psychiatry system which can be addressed at either Springfield university hospital in Tooting, or at Sutton hospital. Significant additional investment of hundreds of thousands of pounds has gone into improving mental health services at Sutton. These include funds to develop Derby ward at Sutton hospital and turn it into a secure unit. There is now a single team for children's services in Sutton which has received more than £100,000 in funding. An additional £175,000—

Mr. Deputy Speaker (Mr. John McWilliam): Order. Time is up.

Swale Crossing and Queenborough Roundabout

1.30 pm

Mr. Derek Wyatt (Sittingbourne and Sheppey): I welcome this opportunity for a further debate on the second crossing of the Swale and the vexed problem of the proposed Queenborough roundabout or traffic lights. It is particularly important to the people of north-east Kent and especially so to my constituents, who have waited far too long for the second crossing—I was tempted to say the second coming—at Swale.

The House may be familiar with some of the issues that I raise. I had an Adjournment debate about the second crossing two years ago, which led to the scheme being included in the 1998 review. I welcome my hon. Friend the Minister to the debate and look forward to explaining once more the reason that the new crossing is so important to Sheppey's industry, economy and local community. I hope to make it clear to my hon. Friend that I place great store by the Government's road safety strategy, which was published recently by my noble Friend Lord Whitty. I hope, as do other hon. Members and our constituents, that his vision of making the roads safer for everyone is realised.

For that reason I am leading the campaign for a roundabout at the Queenborough corner junction, in which I have the support of many constituents. I am supported also by Bob Eatwell, head of the governors of the local school, and many major businesses, which have had the courtesy to write to me. They include: Jonathan Fowler of ASW Sheerness Steel Limited; Del Monte's managing director, Mr. Peter Miller; Neil Fenn of Abbott's Laboratory in Queenborough, one of the great pharmaceutical companies in the world; David Cottam of Coolchain in Tenham–which is not in my patch but close to it; he has a huge road haulage company; and Les Harris, the managing director of Kent United Contractors Limited, on the island.

At present there is only one way across from the mainland to the island—the single-lane lifting bridge. Built in 1960, the crossing is not suitable for traffic flows today or for the needs of the economy for the 21st century. A growing population of 40,000 often doubles during summer weekends, because there are between 30,000 and 40,000 weekend caravans. Congestion is a perennial problem for my constituents, and especially for local businesses. We have acknowledged that the existing bridge cannot cope. Only last Friday, a major accident close to the bridge resulted in traffic flowing back almost three miles on either side of the bridge. Indeed, it so upset Mr. Peter Cooper, the managing director of Britannia, who was in the queue on the bridge, that he faxed me that day to ask when the bridge would be coming and whether we could have a roundabout. Little did he know that I was caught in the same queue.

The single-span lifting bridge has to go up every time a smallish yacht passes underneath. Thus the problems faced by those who use the bridge are greatly increased by the flow of traffic on the Swale itself. It has always been my contention, but I have not always won the debate, that the bridge and the new A249 link from the M2 have been built back to front. We wanted to enable Sheerness port and the people of Sheppey to connect to

the mainland, but instead we built a dual carriageway from the M2 to the bridge and did not change the infrastructure on the island at all. We still have not solved the dilemma of how to gain access to the island. That is just one vexed problem in the argument of the traffic lights versus the roundabout.

However, the lack of an adequate link to the mainland only exaggerates the problems of social exclusion felt by my constituents, who refer to themselves proudly as islanders. In fact, we have the highest rate of home births in the United Kingdom. People are nervous about coming off the island. It is not that they necessarily feel that they need a passport, rather that they prefer to have their children at home. I am sure that hon. Members will agree that the term "islander" does not reflect the reality of an area so close to the heart of Europe. Sheppey should be able to share in the prosperity of the rest of south-east England, one of the top 10 areas in Europe.

Public transport on the island is unreliable and inefficient. If that is to improve, the infrastructure needs to be in place before the operators can be expected to deliver an improved service. Improved infrastructure is the carrot with which to persuade public transport operators to improve their services. That is why the bridge is important.

I am confident that, with a second crossing, we can manoeuvre our way around those obstacles; without it, I fear that those obstacles will only increase in number and size. The local economy needs a second crossing and, as I have shown, local industry rightly demands and deserves it.

Sheppey has high long-term unemployment, and some of our wards are among the poorest in the United Kingdom. However, matters are looking better. Economic prospects are much more positive and unemployment has reduced for the first time in many years. Much credit for that must go to the Government's new deal initiatives and single regeneration budget funding.

Medway port, in Sheerness, is the fifth largest port in the United Kingdom. If it is to be developed into the fourth largest, it needs the bridge. Those who visit the island say, "What a fantastic port", but we consistently lose contracts because people cannot leave the island when the bridge is raised. We need to resolve such problems, but the issue of the traffic lights versus the roundabout contributes to them.

I am pleased that we have a major port, but we also have a number of professional small businesses and leading international companies, to which I have referred. The previous Government failed to provide them with the infrastructure that they need to develop. The White Paper "A New Deal for Trunk Roads in England", published by this Government in 1998, included the second crossing in its targeted programme of improvements. But two years later, my constituents expect to know when the Labour Government will make good that provision. Businesses have had to endure uncertainty not merely for the past two years, but for the 40 years since the last bridge was built.

Without a second crossing, the Isle of Sheppey cannot prosper. It would be wonderful if, for a change, we could be a plus in the Treasury's notebook, rather than a minus. With access to a second crossing, the island's potential for economic growth could be realised, and businesses would be better able to attract further investment. That would also create new jobs, which we badly need.

In the light of my comments, I hope that the Minister and other hon. Members have no doubts about my commitment to the new crossing, which I want to see built as soon as possible. Nevertheless, having waited for decades, I want us to get the crossing right. That is the core of my argument. My constituents are entitled to a scheme that does not repeat the errors of the 1970s, but reflects the best design techniques of the 21st century. As I have said, the design of the M2 system was fundamentally wrong—it was back to front.

I turn to the proposal for the Queenborough corner roundabout. The current Highways Agency scheme for the second crossing proposes a complex junction of traffic signals at the Queenborough corner junction that will require pedestrians and cyclists to negotiate seven sets of lights. Although I welcome the fact that the Government instructed the Highways Agency to look again at proposals for the second crossing—I hope that completion of the public inquiry is a positive sign for the scheme—I am not yet convinced that the agency has put forward the best possible design for the junction at Queenborough corner. My concerns about the design are reflected in a supplementary report produced by Ove Arup and Partners, which, hon. Members will recognise, is one of the world's leading consultant engineers.

The layout of the junction proposed by the Highways Agency poses a direct threat to the future of the local service station and family pub. Those two small businesses, which each employ 20 people from Queenborough, play a significant role in our community by providing different but important services. My constituents want the new road to bring new jobs to the area. Without a roundabout, the opportunity for the pub to be developed into a hotel and conference centre will be thwarted, and we see no reason why existing jobs should be sacrificed.

In response to the threat to the service station that it owns and operates, George Hammond plc commissioned the further work by Ove Arup, which examined an alternative roundabout scheme to the Highways Agency model. George Hammond commissioned that work because it was properly motivated by concern for its business and employees. It has done a service to the local community by identifying a design that is better than that currently proposed. I am grateful to the company for that, and in particular for highlighting safety issues.

The report from Ove Arup and Partners stated that safety at Queenborough corner junction would be greatly enhanced by constructing a roundabout instead of creating a monstrous network of traffic lights. The traffic signal layout proposed by the Highways Agency will require cyclists and pedestrians to navigate seven sets of signal-controlled crossings to travel from one side of the road to the other.

I have a copy of the safety audit response to the Highways Agency's proposal, which was produced by the agency's own safety auditors. I do not want to take too much time, but it stated:

The traffic signal controlled Queenborough Junctions are considered to compromise a very severe safety hazard... Pedestrians are to be provided with complex routes requiring a

[Mr. Derek Wyatt]

number of crossings which may well prove dangerous. Cyclists are also likely to experience safety problems in crossing the wide junctions ... Complex multi phase traffic signals on high speed roads can have a poor accident record.

The key recommendation was that

an alternative form of junction be adopted. In particular it is recommended that consideration be given to the use of a traffic signal controlled gyratory system.

That comes from the horse's mouth.

The Highways Agency ruled that the safety auditors' recommendation be rejected and that the view of the designers, Mott Macdonald, be accepted because

The safety auditor has taken a very subjective view that the form of junction will be inherently unsafe ... the route is not complex and the crossings are controlled ... Had there been a more suitable form it would have been adopted ... no change in the form of the junction is proposed.

There is a difference of opinion between two sets of contractors.

In its conclusion, the Highways Agency stated that the safety audit team had been slightly alarmist in its language when describing the problem, that some issues are subjective and that different engineers have different views on the acceptability of a design. The view of the Highways Agency was that its scheme, although not an ideal solution, provided a perfectly adequate design. We know all too well that when accidents happen, complacency is often the cause, and I am sure that the Chamber will agree that "adequate" is not good enough when referring to public safety, especially for our children. The Government make it clear in their road safety strategy that safety is the number one priority in transport. That is a commendable objective and many of the practical measures that they want to implement are designed to achieve that objective.

My concern is that the current layout at Queenborough corner will not meet those objectives. That is particularly important because the local school is located at the junction. Can we seriously expect young children to wait patiently to cross seven sets of traffic lights to get from home to school and the same seven sets again on the way home? I am sure that I am not alone in believing that we would all fail if we exposed children to such a risk. That is why I am campaigning for the alternative.

The Ove Arup report sensibly supports a reduction in the number of crossings because the potential for children to take risks will be reduced. Parents, staff and governors at Queenborough school all recognise the safety improvements that the roundabout would bring and have written to Lord Whitty supporting the design. I hope that the Government will listen to those people Many local businesses have also written in support of the roundabout. The Government's strategy states that there must be recognition that good engineering reduces the risk of accidents. The Ove Arup design does that and it is important that the Government consistently stand by their safety objectives.

A secondary consideration is that the Ove Arup design is £350,000 cheaper than the Highways Agency's proposal. Not only is it safer, it is cheaper and I am sure that that will not be lost on the Minister. That is due primarily to a reduced land take requirement, and I urge the Minister to think again about the scheme.

In the House next Monday evening I shall hand in a petition signed by 850 local residents urging the Government to adopt the alternative roundabout scheme. This is a serious local issue for all of us.

I should be grateful if my hon. Friend the Minster would confirm that there is nothing in principle to stop my right hon. Friend the Secretary of State for the Environment, Transport and the Regions from issuing a letter stating that he is minded to approve the road project in total, subject only to modifications to the proposed layout at Queenborough corner. I understand that that process need not be lengthy.

I urge my hon. Friend to do what he can to help me in my campaign for the new road, but, primarily, to ensure that the safety issues at Queenborough corner are understood. I realise that he has a quasi-judicial role and will not commit himself this morning, but he might give us a clue as to his intentions.

I hope that I have done my constituents a service by making the case for the second crossing. Percy Wells, whom I have described in the past as our best-ever Member of Parliament for the old Faversham constituency, began the campaign for a new crossing in 1945, but it is only since the election of the new Labour Government in 1997 that any progress has been made. However, we need to move on. I urge my hon. Friend the Minister to do all that he can to offer my constituents something concrete to reassure them that we will get the road and that it will be the safest possible road.

In my maiden speech, I mentioned that after the 1997 general election, some mischievous islanders erected an eight-foot sign saying, "Scotland, Wales and the Isle of Sheppey: A Tory-free Zone". I would dearly love to return to this Chamber to inform my hon. Friends that islanders had erected a 10-ft sign saying, "New Labour; New Crossing; New Roundabout".

I hope that under the Freedom of Information Bill that is currently being considered in the other place, my constituents will soon have access to all the Highways Agency's work on the issue, so that we can better understand how it reaches decisions on the basis of the overall advice that it is offered.

We are moving to three-year spending reviews. The 1998 roads review said that the second crossing scheme would be spread over seven years. Will the Minister consider putting into the public domain, at the appropriate moment, not only the scheme bit by bit, but the whole scheme—that is, its approval, funding mechanism and build date?

1.45 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Keith Hill): I congratulate my hon. Friend the Member for Sittingbourne and Sheppey (Mr. Wyatt) on his success in securing the debate. I fully appreciate that it is an important matter not only for him, but for all the people who live and work on the Isle of Sheppey.

Naturally, I listened carefully to my hon. Friend's points, especially to his arguments in favour of the second crossing and the roundabout. With regard to the latter, as he knows, the inspector's report on the local inquiry into the scheme that took place last November is before the Secretary of State awaiting a decision.

The inspector's report was received in my Department on 21 October 1999. In the normal course of events, we would have issued the decision on the scheme before now. However, post-inquiry correspondence arguing for the introduction of new evidence was received from an affected party while the inspector's report was being considered. We therefore decided, in the interests of fairness and natural justice, that the views of all interested parties should be sought before reaching a final decision on the published orders for the scheme.

On 5 April, my Department wrote to some 60 parties with a direct or indirect interest in the matter, enclosing a copy of the report. They were given until 26 April to comment. The Secretary of State is considering those comments and the conclusions and recommendations in the inspector's report. My hon. Friend will be interested to learn that the Secretary of State's decision on the scheme will be issued later this month.

The Secretary of State and his Ministers act in a quasi-judicial role when taking decisions on schemes and orders authorising trunk road proposals that have been the subject of a public inquiry. My ministerial colleagues and I must therefore be seen to be even-handed in dealing with all interested parties, scrupulously following the statutory procedural rules and having regard to the rules of fairness and natural justice, as developed by the courts. Failure to observe any of those principles carries the risk of making decisions vulnerable to legal challenge. At worst, that can result in schemes or orders authorising a road proposal being quashed by the High Court.

The period between the close of an inquiry and the announcement of a decision is especially sensitive. Ministers must avoid giving the impression that the decision might have been influenced by private representations or factors that were not put before the inquiry. My hon. Friend will appreciate that I am bound by that legal framework, and cannot discuss the merits of the scheme or any issue that the Secretary of State will need to consider in making the decision.

I am able to say, however, that on 2 April 1998 my hon. Friend made a powerful case in the House for a second Swale crossing. As he knows, the A249 Iwade bypass to Queenborough improvement scheme, which includes the proposal for a new crossing at the Swale, is in the Government's targeted programme of improvements announced in the 1998 roads review. At that time, a commitment was given that all schemes in the programme would definitely start within the next seven years, subject to satisfactory completion of the statutory procedure. The importance of the scheme to the Isle of Sheppey is fully understood. That is why its primary objective is given in the roads review as regeneration and integration.

The A249 Iwade bypass to Queenborough improvement scheme was one of the 37 schemes in the targeted programme of improvements, or TPI. A previous Transport Minister, my right hon. Friend the Member for Hamilton, North and Bellshill (Dr. Reid), announced the programme on 31 July 1998, at the time of the publication of the roads review report, "A New Deal for Trunk Roads in England". In the roads review, the Department carefully scrutinised what my right hon. Friend described at the time as a "vast, unfunded 'wish list'" of 150 schemes, most of which would never have been built. They were inherited from the previous Government's programme, which had already been scaled down from more than 500 schemes, the time scale for which was never specified and for which the necessary money was never guaranteed. The schemes included in the TPI had to be robust, ready to be taken forward quickly and consistent with the five criteria that were drawn up for the new approach to appraisal, or NATA—safety, the environment, the economy, integration and accessibility.

"A New Deal for Trunk Roads in England" sets out a radical new approach, designed to deliver a road network capable of meeting the challenge of the 21st century, bringing the policy on building and operating roads into line with the Government's integrated transport White Paper, "A New Deal for Transport: Better for Everyone". There were seven schemes that were not sufficiently advanced to be considered for the TPI at the time, but which addressed serious and pressing problems, to which there were no realistic alternative solutions. Those schemes were to be taken through their preparatory stages and statutory processes so that, if they passed assessment under NATA, they could be taken forward.

On 24 March, my noble Friend Lord Macdonald of Tradeston announced how the transport fund of £280 million in the Chancellor's March Budget would be spent. He announced four more schemes—two of which were from the list of seven to which I referred earlier—to be added to the TPI. There are now 41 schemes on the TPI, although that will be reduced to 40 when the Mayor of London takes over responsibility for most of the trunk roads in Greater London on 3 July.

All 40 schemes in the TPI are important to the Government. It is a realistic, focused programme of schemes, all of which can be started in the next seven years. The schemes will help to create an integrated transport network in a manner that is environmentally sound, as safe as possible and which can help to develop the economy and promote an integrated and accessible transport network.

The Government wish the road proposals to proceed as soon as they have completed the remaining statutory procedures. However, what the Government want is not the only matter for consideration. Like the majority of road schemes and other major development proposals, the schemes must undergo a process of independent scrutiny by an inspector nominated by the Lord Chancellor and appointed by the Secretary of State. The inspector's duty in a local inquiry is to listen to all the evidence and submissions and ask questions, as necessary, in order to obtain a full understanding of all the matters raised. The inspector will submit a report, containing the salient points of the cases and a recommendation to the Secretary of State on whether the published orders for the scheme should be made. All major road schemes must pass that statutory procedure before the Secretary of State can give the go-ahead.

That is the stage that we have reached with the A249 Iwade bypass to Queenborough improvement scheme. The inspector's report on the local public inquiry held at the beginning of September is with the Secretary of State, and the inspector's conclusions and recommendation will be considered alongside the post-inquiry representations. The Secretary of State will make a decision on whether the published orders should

[Mr. Keith Hill]

be made, taking into account the inspector's recommendation and all the available evidence. That decision gives the go-ahead to the scheme.

I noted my hon. Friend's earlier debate, when he explained most eloquently that the Isle of Sheppey, although part of the United Kingdom, has been detached from mainland Britain for more than 1,000 years. That creates unique problems for its full-time population of 40,000 and its weekend population of almost 80,000. I appreciate that those problems are not helped by the current inadequate transport link with the mainland. As my hon. Friend has said, it prevents industry and commerce on the island from expanding and developing as easily as they would like. I acknowledge that a new crossing of the Swale would assist regeneration of the Isle of Sheppey. That is why the A249 Iwade bypass to Queenborough improvement scheme is in the TPI and has been given the primary objective of regeneration and integration in the roads review.

The scheme would also deal with the problems that are caused by the Kingsferry bridge, which has a central lifting span and carries a single-track railway. Earlier, my hon. Friend said that raising the bridge on demand for shipping on average six times a day causes long delays and congestion for vehicles. The A249 is an important link between Maidstone and Sheerness, and it shares junctions with the M20, M2 and A2. In October 1996, a 9 km stretch of the M2 to Iwade was opened.

In response to a parliamentary question in December 1998, Lord Whitty announced that, subject to the successful completion of the relevant statutory procedures, the A249 Iwade bypass to Queenborough improvement scheme was one of three major trunk road schemes in north Kent that will be taken forward under the proposed Kent design, build, finance and operate contract. Final decisions are yet to be taken on the procurement process. Such public-private partnerships remain central to our plans for modernising the way in which vital public sector projects and services of the highest quality are delivered more cost effectively.

Mr. Wyatt: On a point of clarification, does the Minister mean that we need to wait for the other two schemes to be approved before the Queenborough-Iwade development is approved, or will that project be independently funded?

Mr. Hill: I assure my hon. Friend that we do not have to wait for the other two schemes to be approved. I hope that that gives him some comfort.

The Government have revitalised the private finance initiative. Only three weeks ago, on 12 April, we awarded a £200 million design, build, finance and operate contract for managing and improving the A13, which will boost jobs and improve the environment in east London and docklands. Under that arrangement, the Government are building improved roads and purchasing miles of properly maintained and operated highways that deliver the best possible service to users. The public-private partnership encourages contractors to keep traffic lanes, footways and cycleways open, to improve facilities for public transport and goods vehicles and to minimise the disruption that is caused by utilities' work.

I appreciate my hon. Friend's desire to give a firm date for the start of work on the Iwade-Queenborough scheme. However, for the reasons that I gave, I am unable to do so while the matter is still subject to the statutory processes. I do not want to prejudice the outcome of those procedures. My hon. Friend has my assurance that, subject only to the satisfactory outcome of the outstanding statutory procedures and the need to provide a solution that offers the best value for money to the taxpayer, we are committed to providing improved accessibility between mainland Kent and the Isle of Sheppey at the earliest possible moment.

I believe that the Prime Minister will soon respond to my hon. Friend's letter of 4 April. If my hon. Friend's constituents needed it, that is yet another demonstration of his assiduous pursuit of their interests in this regard.

I am sure that my hon. Friend appreciates the legal constraints that have required me to be somewhat guarded in my response to his representations. I am grateful to him for raising this matter, which is of urgent concern to the people of the Isle of Sheppey. I congratulate them on electing to Parliament such a zealous advocate of their interests as my hon. Friend the Member for Sittingbourne and Sheppey.

Question put and agreed to.

Adjourned accordingly at two minutes to Two o'clock.

Westminster Hall

Thursday 4 May 2000

[SIR ALAN HASELHURST *in the Chair*]

Sport

Motion made, and Question proposed, That the sitting be now adjourned.—[*Mrs. McGuire.*]

2.30 pm

The Minister for Sport (Kate Hoey): I am pleased to see so many hon. Members here on this Thursday afternoon to discuss our document "A Sporting Future for All". If I were being charitable, I would say that it was because they all cared deeply about sport and not because they wanted to avoid campaigning on the doorstep. Some of us are unable to do that today. I am delighted to have the opportunity to speak in what I hope will be an informative debate in which we can all feel free to intervene on each other and put our points of view across.

I want to take this opportunity to lay out some of the details and overall thinking behind "A Sporting Future for All", which was published on 5 April. To sum up the strategy, it attempts to give a lead in creating a more co-ordinated approach to improving sporting opportunities for all sections of the community and the country's performance in international competitions.

Those goals are inevitably connected, and we cannot differentiate between them or play one off against the other. It is worth attempting to increase participation in sport for its own sake. It is good for our health, it helps to build communities and it offers enjoyment and recreation. It also helps to increase the pool of talent from which we hope to draw our potential world and Olympic champions. Doing well in international competitions is also important in itself, as well as being wonderful for the individual athletes who participate and win. It helps sport generally, stimulates interest and involvement at the grass roots and encourages people to get involved. We all know what happens when we have done well in a football, tennis or athletics tournament. There is a lot of publicity, and our success helps to reinvigorate the sport at grass roots level.

The strategy has four main strands, and I shall deal first with what is happening in our schools, which is fundamental to the future of sport. The most important thing is that we have a clear commitment to improve sports provision in schools. It is almost too obvious to say—but it needs to be repeated—that we must get people young if we want them to develop a sporting habit and an interest in lifelong participation in sport. Over the years, all of us have been to blame for what has happened in that regard. The action that has been taken in our schools to win the interest of children—in particular, primary school children—and to get them to take part in sport has not been good enough.

I go round the country and see school after school at primary and secondary level doing wonderful things with sports and physical education. Some very good things are happening, and it is important that we do not forget that when we examine the overall situation. Evidence is emerging from our specialist sports colleges that behaviour and academic performance improve where better sports and physical education are on offer. In too many schools, however, sport has been allowed to decline. We encounter run-down facilities, pressure on school time, insufficiently trained physical education teachers, declining levels of inter-school competition, and poor overall strategic management of school sport. Schools are the bedrock of sport, and those problems cannot be allowed to continue.

As the Minister for Sport, I can make all sorts of pronouncements, and so can my Department, but unless the Department for Education and Employment is fully signed up, we shall not make the changes. Our document is special and unique, because for the first time we have produced a sports strategy that has dual ownership with the schools education sector. There is a strong commitment to the strategy from my right hon. Friend the Secretary of State for Education and Employment. The Department is committed to all aspects of the policy relating to schools and education. That is a big step forward. We can have all the aspirations in the world to change things in schools, but we need the Department for Education and Employment to work with us, so I am delighted that we have its full support. That is why I was anxious soon after I was appointed to work with my right hon. Friend the Minister for School Standards to secure the appointment of Sue Campbell of the Youth Sport Trust to act as an adviser across Departments on physical education and school sport. That has been an extremely useful appointment, because officials who at times did not talk to each other or work together now do so, up to ministerial level.

Mr. Ivor Caplin (Hove): I detected that my hon. Friend was about to leave the subject of school sport. Can she say something about the concept of school sports co-ordinators? Having been a member of the Standing Committee that considered the recent National Lottery (Amendment) Bill, which created the New Opportunities Fund, I feel that they will form an important new link between the Department for Culture, Media and Sport and the Department for Education and Employment.

Kate Hoey: My hon. Friend is right. I shall mention the school sports co-ordinators.

Underpinning "A Sporting Future for All" is the need to offer a range of high-quality sporting opportunities to school-age children within and outside the school day, and to ensure that there are pathways to help them sustain their involvement beyond school age. We have identified aspects of school sports and physical education that need attention and have provided some resources to develop solutions. Our measures include the £150 million of new Government money to match lottery grants to help improve facilities in primary schools, many of which, despite being keen to help children undertake physical education activities, do not have the physical space or adequate facilities. The money will be used for primary schools, but we shall also ensure that schools that receive money for improving facilities will be open to community use after school and in the evenings. We want schools to become the heart of

[Kate Hoey]

their communities. This is already the case in many areas, but in too many more it has not happened, for all sorts of reasons.

We are committed to having 110 specialist sports colleges in place by 2003, and we are well on the way to meeting that target. These centres of sports excellence provide specialist teaching in addition to the usual curriculum to secure much better opportunities. Sports colleges are not intended to work in isolation. They should work with primary and secondary schools in their area and with the whole community, acting as a beacon of sporting excellence.

My hon. Friend the Member for Hove (Mr. Caplin) mentioned the announcement last year of £60 million of lottery funds for school sports co-ordinators. We are well on the way to ensuring that, from next September, co-ordinators will work with families of schools to give children more opportunities to participate in school sports activities. We announced last week the areas to which the first school sports co-ordinators will be sent. They will be based in areas with an excellence in cities initiative or in an education action or sports action zone, and in areas where there is a sports college. By September, 120 secondary schools and nearly 600 primary schools will be involved, because they will work with the families of primary and secondary school children and the sports college to help to raise the standard of physical education. It will not be a matter of putting a school sports co-ordinator into one school and then hoping that he or she will make improvements. There must be a partnership with the sports development officers in the local authority and with sports' governing bodies which may already have good development officers for cricket and rugby in the area.

"Joined up" is a dreadful phrase, but it is one that we often use, and it means that we will not act in isolation. When hon. Members see how the measures will work in their constituencies, everyone will clamour for them. We are keen for the plan to be rolled out and extended throughout the country.

We have focused, first, on communities with the greatest need, stressing the importance of sport and physical education in after-school activities. Some £160 million from the New Opportunities Fund and £80 million from the Department for Education and Employment standards fund will go to help to support out-of-school learning, which includes sport. Sport is not isolated.

School sport is crucial. I pay tribute to the role of physical education teachers who have pioneered many good initiatives over the years and at times struggled for excellence in spite of difficulties. We are working closely with the national organisations for physical education and I hope that those teachers feel that for the first time there is a policy document that recognises the importance of their role in sport.

The second strand of the strategy concerns lifelong participation. We need to ensure that young people who take up sport at school have a good experience and continue to participate when they leave. There is evidence that participation falls off in the post-school years. Links must be established and maintained with schools and other providers, such as local authorities, voluntary and commercial clubs, and professional clubs, to help people move into adult provision. We shall take steps to remove obstacles that, for one reason or another, prevent people from making the most of their abilities. Sports' governing bodies, local authorities and the funding organisations know that social inclusion must be at the heart of what they do because sport is one of the best ways of breaking down barriers in our society. It must be used to its full potential.

Sport, as we know from many studies, really can make a difference to young people, helping them to turn away from crime, truancy and drug addiction. Sport is a vehicle that can deliver so many Government policies. It is important to spend money at the right time, because it can save money in the long term.

We have a lot to be proud of in how we participate in and run sport. Anyone who knows and cares about sport gets fed up with it always being knocked, when in fact many good things are happening. More than 1.5 million people voluntarily give up their time to help young people take part in sporting activities; they get involved in evening clubs and do things just for the love of it. Self-help in sport is important.

Inequalities remain, however. More men than women participate and social class is a real issue. The rate of participation of some ethnic minority groups is still well below the national average and older people, who can benefit most from mild physical activity, participate far less than any other group.

Sports development officers are crucial to keep people involved. It is a growing phenomenon that local authorities are employing people whose job is to develop sport and work closely with others . However, we heard many times during our consultation period about the lack of good quality training for development officers. I am pleased that the National Association of Sports Development Officers has been set up and we are determined to support such groups.

We recognise the importance of a wide provision of facilities accessible to all members of the community. One of our dilemmas over the next few years is what to do about the fabric of many buildings under local authority provision. We have asked the English Sports Council to conduct an audit to show what facilities are available in which areas. Some local authorities persevered over many years of cuts and managed to protect their buildings, but in some authorities sport was the first facility to be chopped and it failed to secure further investment. The need for a massive improvement will become apparent and will have to be taken into account for implementation.

Over the next 10 years between £1.5 billion and £2 billion will be spent on community sport, particularly in areas identified in the audit as requiring more support. It is worth repeating that we would have had a different debate six years ago when not nearly so much money was available for investment in sport. People are aware that huge sums have come from the lottery. We should remember where we were six years ago and be determined to spend the money in the best way possible in pursuit of a strategy—avoiding ad hoc spending, which can depend on how good a governing body or local authority is. There must be an overall plan as to how best to spend the money in the interests of the whole country.

Playing fields are an important issue, about which many people are concerned. Despite some of the headlines and reported figures, we are delivering our manifesto commitment on playing fields. The average rate of disposal of school playing fields has dropped from 40 to three per month. If sales have been allowed to proceed, it is because they will be offset by the provision of better facilities. There will always be an argument, of course, about what constitutes better facilities. In most cases, the sales are justified if better community sports facilities and open space of some sort are available at the end of the process. We cannot say simply that nothing must ever be sold off. Even the National Playing Fields Association accepts that a diktat never to sell anything is unrealistic. We need a proper mechanism to allow proper consideration of the options and to establish whether better facilities will result at the end of the process.

As a result of our strategy, a monitoring unit will regularly examine what is happening, establish what has gone wrong and make suggestions for improvement. We also wish to establish an on-going advisory committee with the active involvement of the NPFA, which has led the way over many years in campaigning to protect playing fields and to raise awareness of the issue. If I have not always agreed with Elsa Davies, I fully commend her for her single-handed commitment to this important issue, which she has not allowed us to forget.

I wish to flag up the important role of local amateur sports clubs throughout the country. We wish them to link more effectively with schools and to establish networks to provide good junior teams, coaching and so forth to cater for every level of ability. It is important for such clubs to be open and welcoming to all. Governing bodies have a responsibility to ensure that they take the lead on that. Under the terms of Exchequer and lottery awards, they must adhere to agreed equal opportunities policies.

We are also trying to encourage governing bodies—particularly in top level professional sport—to do much more and put some of their income from the sale of broadcasting rights through to the grass roots. We will make an announcement soon about the Football Foundation and the 5 per cent. that will come from the premier league and the Football Association. Football can afford to put more money down to the grass roots, and we must ensure that it does.

Other sports have also received money. Cricket has already put substantial amounts of money down to the grass roots, and tennis is doing the same. We want to ensure that that happens at all professional clubs, because if they want the game at the top level to develop, they must ensure that they support the grass roots.

Everyone recognises the undoubted direct link between international sporting success and wider participation at home. If more people are involved at the bottom, more people will have opportunities to reach the top. However, we cannot continue to rely on that happening by chance, as has been the case for far too much of our sporting excellence, with someone seeing a talented person in the right place, picking them up, helping them, coaching them and supporting them. No clear pathway has existed to ensure that everyone has the opportunity to go from the bottom levels of competition to the top.

We want all sports bodies to adopt a more strategic approach to the delivery of sporting programmes. Governing bodies must actively encourage clubs and their coaches to work in schools and the community, as many are doing. Those bodies need to build on existing best practice. We all know from what is happening in our own areas that there is a lot of good practice and that many people are beavering away in our constituencies doing excellent work. They never seem to be thanked by anybody or receive any lottery money. No one ever seems to say, "You're doing a great job. With just a little extra money, what more could you do?"

I am determined that we should move away from the idea that everything always has to be new—new initiatives always coming along and new people coming in and telling others what to do. That is not the role of the Sports Council; it exists to set an overall strategic view and ensure that funding is accountable. We have to co-operate with those who are already doing the work, often with no reward.

The third strand is talent development. Talented players do not emerge automatically. If people are to progress, they must receive the right coaching and support at every stage. Obviously, schools and clubs are the first step. We are asking everybody in sport to pay particular attention to ensuring that they have talent development systems that pick up and nurture able competitors.

Many of our competitor countries have systems that are very different from ours. Many are based on a much stronger local club structure. In France, very little goes on in schools and all the sport happens in clubs. I do not think that we can adopt that system, and I would not want to, because our schools do an extremely good job. They have done things differently, but I think that we can help our clubs to develop. Clubs should be at the centre of a network of feeder clubs. That is already happening in swimming. In Leeds, the Amateur Swimming Association has organised a sophisticated swimming club system that ensures that young swimmers have a clear way of moving forward and are not isolated from the beginning.

Rugby union has done great work on feeder clubs, offering opportunities for youngsters to get involved for the first time and giving them a clear idea of where they should go next. We need to encourage more of our governing bodies and sports to develop the idea of hub and satellite clubs, and we will work closely with governing bodies and local authorities to develop a comprehensive system of satellite clubs.

The fourth and final strand to the strategy is improvement of the support that we give to our top-performing athletes. The UK Sports Institute and world-class programmes will make a huge difference. Already, the support that can be given to our top athletes has changed, and we hope that we will see some effects of that at the Olympics, although these things take time. A development and support system does not appear overnight, and it may not happen in time for this year's Olympics, although I hope that we will make improvements on Atlanta.

Because of its nationwide network of high performance facilities and support services, the UK Sports Institute will have a major impact on the development of excellence in this country among both

[Kate Hoey]

those already achieving success at the highest sporting levels and those aspiring to follow in the footsteps of their idols. The UKSI will provide our top performers with access to the highest quality sports science, sports medicine, coaching and athlete education and career programmes.

In England, plans for seven of the 10 regions were announced last October, and up to £120 million of lottery funds will be invested between now and 2001 in the English Institute of Sport. Good progress is under way in Bath, Loughborough and Manchester, and detailed designs are in preparation with the aim of starting work this autumn, if not before. Good progress is also being made in the network centres developed in Scotland, Wales and Northern Ireland.

We are meeting all the UK sports councils to find out how to ensure that the services and the buildings are delivered as quickly as possible, in accordance with all the normal accountability criteria. If we do not move quickly, we could miss out. For whatever reasons, the process has already taken too long. Everybody accepts that. There is no point going back and blaming anybody or anything. Although we have taken far too long to reach our current position, we will now begin to see a real change. Each institute must apply to the lottery for bits of the overall cake, and I am considering ways of ensuring that the mechanisms for such applications are made as easy as possible, taking the normal accountability procedures into account. We do not want another layer of bureaucracy, and I am afraid that, at the moment, the process is full of bureaucracy that does not improve accountability or serve any purpose. It needs to be examined and changed, and I am pleased that the English Sports Council and the sports councils are keen to tackle that.

The UKSI is more than just bricks and mortar. We must make every endeavour to establish support services as soon as possible, even if the facilities are not in place. The athlete career and education programme, known as ACE, is up and running, and providing selected athletes with personal development courses to meet individual needs in financial planning, media training and nutritional advice. Thirty accredited facilitators have been appointed, and about 250 athletes from more than 20 sports have undergone a personal assessment. A high-performance coaching programme has also been introduced to provide sport and coach-specific personalised programmes ranging from information technology skills to specific training sessions.

Other support programmes are being developed to provide access to sports technology and expertise, data information systems and analysis, sports medicine and sports science, and medical insurance. We are a long way from the days when I was involved in sport. Now, athletes need to be very good not only at what they do, but at understanding the jargon and how to use systems to perform better.

We expect everything to be fully operational by summer 2002, and I am pleased that we have set that deadline. To deliver the aspirations of individual sports and athletes, all the parties must have a common aim and the will to work closely together to ensure that decisions are reached speedily, efficiently and effectively and are geared to the athletes and the coaches, not the organisations. We have talked about the UKSI concept for so long that we are now ready for action.

In striving for sporting excellence and progress we must also ensure that we create the right environment for all competitors to achieve success on their own merits and hard work. Everyone who cares about sport knows that drug abuse in sport is just plain cheating. We are strongly committed to measures to eliminate such abuse. We spend over £1 million a year on ensuring the quality of the UK's drug testing programme, and this country was the first worldwide to achieve ISO 9002 accreditation for its testing system. We have also been working closely with our international partners in the fight against drug misuse in sport, and we played an important role in the establishment of the World Anti-Doping Agency last November.

The recent spate of positive tests, especially for the banned steroid nandrolone, has called into question our commitment to stamping out drug misuse in this country and dealing with the culprits effectively. That must be seen in the context of the more than 5,000 tests carried out in the UK, 1.5 per cent. of which produced a reported finding and not all of those proved to be positive. However, we must not be complacent. While this taint of drugs remains, it is bad for the development of sport, particularly for youngsters.

Mr. Caplin: I thank my hon. Friend for giving way. The concern is about how the international athletics community deals with the whole issue of nandrolone. A number of cases are outstanding and the Olympic games are coming up. Some of the athletes who have been caught with nandrolone, rightly or wrongly, could be competing in Sydney. Has she had an opportunity not only to consider that, but to tell our international partners that we need to deal with the issue of nandrolone as a matter of urgency?

Kate Hoey: My hon. Friend is right that nandrolone is causing huge concern at the moment. UK Athletics, more than any other body, is concerned about the situation. There is a problem, and I do not think that the governing body of the sport should be involved at all levels with testing, with decisions about guilt and with the setting of penalties. We must find a way of making that process independent from the governing body of the sport. There is a logical reason for that: as everyone knows, the British Athletics Federation went bankrupt over the Diane Modahl case. Clearly, sport itself must contribute something to the establishment of an independent process, but the Government may also have to find ways of ensuring that we have an independent system—not for testing, as we already have that, but for dealing with athletes after they have been tested. I am working closely with Dave Moorcroft on that problem, as UK Athletics is very concerned about it. It affects the whole of sport.

The organisers in Sydney are particularly keen that it should be a drug-free Olympics and are doing all that they can. The problem, if we are honest, is that individuals will always find ways of getting round the system. The more that technology and science find ways to test, the more people will try to get round them. For those of us who have been around in sport for a long time, that is one of the unhappiest aspects of the way

that sport is going. It is so depressing for everyone involved. I remain determined to ensure that the UK's systems and procedures, while retaining the respect of competitors, continue to have the support of the public, who must be sure that the results are genuine and fair.

In implementing "A Sporting Future for All", I am conscious that we are asking a great deal of many people involved in sport. That is right, because Governments do not run sport. We cannot—indeed, we would not want to—decide who goes to the Olympic games or determine the best way to develop a particular sport. We must always remember that sports have experts. Nevertheless, the Government must develop strategies, set minimum standards and assume an overall leadership role in sport.

We have placed a lot of emphasis on the importance of our governing bodies for sport. In return for their commitment to delivering greater participation, better talent development and the best support for our top competitors, they will have greater financial autonomy. That is what governing bodies want, especially those that can handle large amounts of money and satisfy us that they can honour all the commitments for which we have asked. Once governing bodies can show that they manage and plan robustly and that their management systems operate satisfactorily, they will receive more control over the funding that their sport receives. We are empowering the key stakeholders in sport to ensure its long-term, sustainable development. The theme of sustainability runs through the document. Although the word is not mentioned, it is key to it. We do not want one-day wonders of instant, knee-jerk success—although that is usually nice, because it produces good headlines. We want measures that will last and will genuinely make a difference. Part of the document's importance is that it will be judged not next year or even in three years' time, but in 10 years' time on how much it has genuinely made a difference.

We shall ensure that the document does not simply sit on a shelf like so many other documents that successive parties have produced. We have created a strategy implementation group, the first meeting of which will be on 24 May. The people invited to serve on that group have been invited as individuals rather than as representatives of a particular group or organisation. Their backgrounds draw on all spheres of sporting life and achievement. Collectively, the group's experience will form a great spectrum of sporting knowledge and practice, focusing particularly on education in the community and excellence. The group will propose the measures necessary to make the strategy work, and in the autumn, we shall make further announcements. It is a genuine opportunity for follow-through. We are not merely using warm words. It is easy to use warm words about sport—as, indeed, Governments do—but, as I continually remind my colleagues, we must provide the resources and cross-departmental support that sport is beginning to receive.

We are pleased with the welcome that the document has received from all sections of the country. It is a document that people sit down and read, as it will relate to their aspect of their particular sport or expertise. I thank all the people who contributed to it. I am especially enthused when I travel around the country to discover the passion that people have for sport. We have achieved a great deal, and absolutely nothing can be blamed on individuals. We must put all available resources into harnessing all current developments and ensure that they form part of a partnership with a clear strategy for the way forward. The Government's role in that is to lead key players in delivering sporting opportunity and excellence. We shall work in partnership with schools and other education institutions, local government, sports councils and national governing bodies for sport.

There is much to look forward to. With the help of world-class events funding, we have done well to bring major sporting events to our country. We relish the thought of the indoor and outdoor world athletics championships. The Commonwealth games come to Manchester in 2002, and the rugby league world cup will be staged in the autumn. Last year, we held the cricket and rugby union world cups.

We look forward to receiving soon a report of the British Olympic Association's preparation, discussions and thinking on the feasibility of hosting the Olympic games. It is not possible merely to wake up in the morning and decide to host them; it is a huge undertaking, and there is no point in our ever thinking of trying to do so unless everyone gives the attempt total support. That support would have to go beyond mere words.

I send my best wishes to all our athletes going to Sydney. The BOA is an extremely professionally run organisation, which has done a terrific job to ensure that we have a sophisticated, highly trained and organised group going there. The camp that it has set up on the west coast has given many of our young athletes the opportunity of warm-weather training. We hope to be successful in the Olympic games but, whatever the outcome, it will be an opportunity to sell sport to our young people.

I have given a comprehensive report about the document; I appreciate that it has been slightly long. I look forward to hearing hon. Members' responses, and hope that we can work together across party to ensure that sport in our country thrives and that everyone has the opportunity to participate.

3.11 pm

Mr. John Greenway (Ryedale): How often have we heard leading players say how fortunate they are to earn their living playing sport and doing what they enjoy best? Notwithstanding other attractions today, we are fortunate to have the opportunity to do what many of us most enjoy doing, which is talking about sport. I see that some hon. Members with whom I have enjoyed talking about sport over the years are present.

I mean no disrespect, but I would have preferred an annual debate about sport to be held on the Floor of the House. Also, we should have avoided holding our debate on an election day. I see some nods of agreement; I apportion no blame to anyone present.

We take a steer from the shadow Culture Secretary, my hon. Friend the Member for East Surrey (Mr. Ainsworth), and the Prime Minister. Both began forewords to recently published documents with the words "Sport matters". We can all agree with that. Sport is vital to the physical health of the nation. It is a huge, multi-billion pound industry. At its best, sport is

[Mr. John Greenway]

exciting, passionate and hugely enjoyable. It can help to improve our quality of life. As the Minister said, the massive and invaluable contribution made to sport by volunteers is testament to its huge popularity.

Mr. Caplin: The hon. Gentleman has confused me. I can clearly see the foreword by the Prime Minister that starts with the words "Sport matters", but he mentioned another document with a foreword by an inconsequential Conservative Front Bencher. Is it in the Library for hon. Members to see?

Mr. Greenway: On 31 January, more than two months before the Government published their document, the Conservative party published a blue paper. It was circulated to every sporting body in the country. Its objectives were greatly acclaimed and many of its ideas—surprise, surprise—turned up in the Government's document. I did not intend to be quite so partisan, but the hon. Gentleman has goaded me into it.

Sport is important for many reasons. It has health-related benefits. It teaches people to win and lose with equanimity. It can improve cognitive skills such as literacy and numeracy; anyone watching the final couple of frames of the world snooker championships would almost need a calculator to work out, from the points left on the table, who was about to win. It can also help reduce the level of crime by channelling aggression and can play an important role in dismantling social and ethnic barriers. It can help to protect and enhance environments and play a part in stimulating the economic regeneration of local communities. Local sport and leisure facilities are an important source of employment and can provide a healthy social focal point for the community. Only yesterday, I received a briefing note that stated that 14 per cent. of adults work out in a gym—speaking of which, the right hon. Member for Yeovil (Mr. Ashdown) is the honorary president of the Fitness Industry Assocation. For all those reasons, sport matters.

In our aspirations for sport and the importance that we accord it, there is considerable common ground between the Government and the Opposition. The Minister and I do not just share a keen interest in the fortunes of Arsenal football club; we also have a shared interest in the future of sport at every level. Nevertheless, politics being what it is, there are clear differences of view between us, some of which I shall detail later. The Minister said that we have much to be proud of. I agree. We are glad that much of what the Government are doing and plan to do takes forward the Conservative Government's policy initiatives, particularly those of my right hon. Friend the Member for Huntingdon (Mr. Major). I have consulted sporting bodies around the country over the past three months and have found high regard for what my right hon. Friend did. He took a personal interest in sport and his achievements included the publication of the White Paper on sport, "Raising the Game", the creation of the Sports Council and the implementation of important projects such as the UK Sports Institute and a national network of centres of sporting excellence to coach and nurture potential world champion sports men and women.

The Minister referred to Bath university, which I recently visited, as she had a short time earlier. Anyone interested in seeing a centre of excellence based at one of our regional universities should visit Bath university and witness best practice in operation. Jed Roddy, whose concept the whole project was, has achieved tremendous things and set a target of five medals at the Sydney Olympics for his team. We wish them all every success.

Although we are pleased with the Government's commitment to continuing our policy of establishing a UK Sports Institute—I very much welcome what the Minister said this afternoon—and the fact that the institute should be fully operational by 2002, I have to tease her a little by telling her that people in Yorkshire are not best pleased with the Government's U-turn on their original promise to site the institute in Sheffield.

Mr. Andrew Reed (Loughborough): While the hon. Gentleman is making a regional tour of Britain, will he acknowledge the great contribution of Loughborough to the UK Sports Institute? The people in Loughborough are grateful that Sheffield was not chosen as the headquarters. More importantly, the original concept that we inherited in 1997 was of a single hub. Will the hon. Gentleman also acknowledge that regional centres are much more important?

Madam Deputy Speaker (Mrs. Gwyneth Dunwoody): Order. I am sure that the hon. Gentleman understands that interventions must be brief.

Mr. Greenway: I am grateful to the hon. Gentleman for mentioning Loughborough, because it was there that the Conservative party held an extremely successful "Listening to Britain" meeting, which informed our new policy. One cannot name all the relevant places, but the hon. Gentleman is right in saying that what is happening in Loughborough is as commendable as what is happening in Bath. I hope to pay the people in Loughborough a visit soon; it is convenient, because I can call in on the way down from Yorkshire.

There is no doubt that policy initiatives develop as they go along. I agree with the hon. Gentleman that there must be regional centres, and the number and siting of them is something that the UKSI has been working on. The Secretary of State should be a little careful, however; he eulogised over the choice of Sheffield and then, a year or two later, said that things had gone completely wrong there. It is not the first time that he has done something like that. People are given encouragement and then their hopes are dashed. I stress the point that people in Sheffield are extremely disappointed by that change of view.

We are pleased that the Government have acknowledged in their document the importance of the national lottery, which has proved an invaluable resource for sport. Some time next week, Sport England will reach the total of £1 billion of support given to sporting centres. That money has supported 3,000 projects, and we should congratulate Sport England on that tremendous achievement. I was grateful to the Minister for her acknowledgement that the lottery has transformed the landscape of sporting provision.

Vital though the lottery has been, however, we should not overlook the important contributions made by other funding arrangements such as the sports match

scheme, which was started in 1992. Its contribution of more than £3 million a year is now subsumed in Sport England's grant and aid. The Foundation for Sport and the Arts was particularly important before the lottery was established. The Football Trust, in common with that foundation, relied heavily on Treasury support through rebates of betting tax and on support from the pools. I know from my work on the all-party football group that there was huge cross-party support for those rebates.

Like the Minister, we look forward to the launch of the Football Foundation, which will give people at the top of the football pile—especially the very rich premier league—the opportunity to invest directly in the grass roots of sport through the 5 per cent. contribution. I hope that football will not be the only beneficiary, because many of the facilities can be used by other sports. Together with significant help from business and broadcasters through sponsorship, that new money has transformed the United Kingdom's sporting infrastructure, to the benefit of spectators and participants of all levels of ability.

It is impossible to see how the Government's objectives could be realised without the support of the lottery. The Minister has acknowledged the extent to which lottery funding will be the mainstay of the Government's programme. However, we should ask whether the resource of the lottery fund will prove sufficient to match the spending priorities that the Government have set out as well as all the other commitments that it has to meet. The Government have not acknowledged in their sports strategy that sport now gets a smaller slice of the lottery cake than before; the creation of the new opportunities fund has resulted in a significant reduction in its share. The lottery has been raided to pay for health, education and environment projects. I remind the Minister that, when in opposition, the Labour party said that such things should always be paid for out of core Treasury expenditure. In effect, the sports lottery fund will be reduced by £50 million of current lottery ticket sales. The Central Council of Physical Recreation has called for sport's original one fifth of lottery funding to be reinstated at the end of this year, when the millennium fund expires. The Government have chosen to divert millennium fund receipts to the new opportunities fund. As a result, the new opportunities fund will attract one third of all lottery receipts. The Government have obviously made up their mind. The key issue is the use of that one third, and the extent to which the arm's length principle will be maintained.

Mr. Caplin: As I said to my hon. Friend the Minister, the new opportunities fund can be used in relation to projects such as school sports co-ordinators. One cannot pigeonhole each of the categories of the lottery, which extend across government. Perhaps the Tories should get used to that.

Mr. Greenway: I am grateful for the hon. Gentleman's intervention. On the issue of school sports co-ordinators, the blue paper responses suggest that they should be PE teachers.

Kate Hoey: Yes, they will be.

Mr. Greenway: I am told that they will be. It is no disrespect to the hon. Member for Hove (Mr. Caplin), as he was not then a Member of Parliament, but I can remember the debates when the lottery was established, and the idea that lottery money should be used to fund the salaries of teachers was totally alien to Labour Members at the time. If NOF is to be used in ways that enhance and improve sport facilities, that is all to the good. If we are to retain an arm's length principle, however, to what extent can Ministers guarantee that NOF will always deliver, and that it will not use the money in other ways? The same degree of control cannot be exercised over NOF as over the Department's budget.

Mr. Gareth R. Thomas (Harrow, West): The hon. Gentleman has so far mentioned every funding stream available to sport apart from central Government expenditure. Is that because of embarrassment? In the last two years of the previous Conservative Government, the budget for sport declined by 6.7 per cent. and 6.5 per cent.

Mr. Greenway: The hon. Gentleman has a cheek to introduce an argument about funding. It has just been pointed out that in the last three or four years of the previous Conservative Government, who introduced the lottery, sport was made one of the main beneficiaries. You may recall, Madam Deputy Speaker, that originally, there were to be only four good causes, and sport was to receive a quarter of the money. Under the Labour Government, it is receiving a sixth. The Conservative party, especially on the basis of recent years, should not have to take any lessons from the Labour party in terms of its commitment to funding sport. Sport England's budget is in excess of £40 million a year—

Mr. Thomas: Will the hon. Gentleman give way?

Mr. Greenway: No. We have a great deal to discuss. If the hon. Gentleman wants to have a row about resources, I suggest that he reads the Government's document, which acknowledges that £1 billion of lottery money has been made available to fund 3,000 projects.

The Minister has told us that the Government's strategy will provide £150 million for 300 centres in primary schools. I am not saying that such initiatives are not worthwhile; they are, and we support them. However, those hon. Members who are getting excited about sport funding must acknowledge, as the Minister has, that the lottery has effected a transformation. We are debating the extent to which lottery money can be used to support new initiatives in schools and sports clubs throughout the country, to give every child a sporting chance. That is what the strategy is supposed to be about.

The document says that NOF has already committed £125 million to its green spaces initiative—among other things, for playing fields. However, despite wanting to take decisions at arm's length, NOF's consultative paper, published last September, stated that purchasing land was not a priority. That must be cleared up.

The Government say that the space for sport and the arts initiative will provide up to £150 million—£75 million each from the Exchequer and the lottery—to primary schools to provide new multi-purpose sport

[Mr. Greenway]

and arts facilities for children in the wider community. Will the Minister explain how that initiative is to work? How will it be paid for? From which lottery source will the £75 million be drawn? The Government say that Sport England is said to have agreed to ring-fence 20 per cent. of lottery funds for youth sport, the bulk of which is to be spent in schools. Is that 20 per cent. the £75 million, or is it a separate amount? The sports lottery fund receives £250 million a year, and 20 per cent. of that is only £50 million.

The document commits NOF to providing £160 million to support out-of-school-hours learning, with special emphasis on sport and physical education. That is on top of the £125 million for open spaces. I know that that money probably covers more than one year, but collectively it is more than NOF receives now. Will the Minister explain, if necessary in writing, how those sums add up and whether the funding bodies have signalled their agreement? More important, what assessment has been made of how Sport England and NOF are to respond to other funding requests? I do not suggest that the money is being targeted at anything other than worthy causes, but we are concerned that the sums should add up and that expectations are not raised that cannot be fulfilled.

The Minister mentioned the need to reinvest in fabric. I agree with her that a great many sporting facilities, particularly those run by local authorities, are in desperate need of refurbishment, but lottery funding has never been made available. All those factors add to the demands made on the lottery.

We have considerable sympathy with the need to streamline the structure of sport governance and to improve accountability. The document refers to the possibility of sports bodies being made more accountable to lottery players. Will decisions for lottery spending be delegated to sport governing bodies and away from Sport England? If so, those governing bodies will have the difficult responsibility of declining entirely worthy applications, because so much of the sports lottery fund will be pre-committed.

We must also bear in mind the fact that the sports lottery fund will have to meet its commitment on the cost of the Commonwealth games in Manchester, and will probably have to make a contribution to the costs of the proposed new stadium at Pickett's Lock for the world athletics championships.

I repeat that our generous support for investments in facilities in schools and local clubs will provide sporting opportunities for young people. A new sports pavilion was recently opened at Malton in my constituency. That initiative was instigated by the Fitzwilliam sports association. The proposal was twice turned down, but we kept at it and on the third occasion we received the money. It is a £200,000 sports lottery fund project. Boys and girls will now be sure of the best facilities when they play cricket, hockey and soccer. The pavilion is next to the rugby union ground, which has also been the target of a big sports lottery project. Youngsters of all levels and ages can play in the teams, which are often their only opportunity to engage in competitive team sport, as so many of them go to schools with few pupils.

We believe that all of that is important, and we greatly welcome the Government's acknowledgment that the level of provision of sport in schools is unacceptable. I apportion no blame to the Minister. However, the position has unquestionably deteriorated during the past three years. The curriculum has become too prescriptive, the effects of which have been confirmed by Sport England and in a number of surveys, including the Adidas report. Last August, the sport and physical education network, which is based at Leeds Metropolitan university, published a survey showing that more than half a million hours of physical education had been lost in primary schools alone in the previous six years. The survey showed that the decline had featured especially in the three or four years prior to its publication, as cuts had been made to make time for literacy and numeracy work.

That approach must change and I entirely endorse the Minister's remarks in that respect. What schools do should be rather less prescribed. If they had greater freedom in the management of pupil time, there would be a significant increase in the amount of sport played within and between them. We agree with the Minister that school sports co-ordinators have a role to play in achieving that. I am looking forward to seeing what can be achieved, especially in a huge rural area that has many small primary schools but not enough kids of the right age group for one even to think of forming teams that can play inter-school soccer or cricket. The target of 600 co-ordinators is ambitious, but we share that objective.

We note the Government's commitment to the creation of 110 specialist sports colleges by 2003. That was initially another Conservative policy initiative and it is not without controversy. We want more specialist schools, and not just for sport, although sports schools are especially important. We believe that that is a good idea, but that schools and colleges should themselves determine whether to specialise and the manner in which they should do so. More important, the existence of specialist sports colleges must not be used as an excuse for neglecting sport in mainstream schools. It is a cause for concern that the strategy document is very brief on mainstream secondary schools. For that reason, we are concerned that the title "A Sporting Future for All" conveys an aspiration that may not be matched for every child.

Mr. Reed: Does the hon Gentleman accept that the use of school sports co-ordinators and specialist sports colleges achieves the aims about which he is speaking? Burleigh college, in my constituency, has shown that the two go together.

Mr. Greenway: I thought that I had encouraged the thought that the aims can be achieved in such a manner. I am merely saying that the strategy document places huge emphasis on primary schools. It is right to do so, in many respects. I think that it was Trevor Brooking who, when Sport England published its recent survey on the decline in physical education and sport in schools, commented on how important it was to focus properly on the five to eight-year-olds, as that is the age range when one can achieve most with a child. I agree with all that, but I am concerned that there is still a gap in provision in the secondary school sector. There has been

rather too much emphasis against competitive team games for the 14 to 16-year-old age group, although one understands the reasons why.

The Minister mentioned the vexed issue of the sale of school playing fields. From my personal experience as a county councillor and a school governor, I know that school land can sometimes be sold without damaging sports provision. A few years ago, in one school in my constituency, land sales paid for significant capital expenditure on school buildings without detriment to sporting provision. However, there is no doubt from the communications received by hon. Members that many sporting bodies remain concerned that school playing fields and sports pitches continue to be sold. I listened to the Minister's remarks on the subject, and appreciate that she has acknowledged in Culture, Media and Sport questions in the House that such sales have continued. One cannot say that the policy is being delivered and acknowledge that sales are continuing because the policy was to stop all sales.

Kate Hoey: The policy is very clear: it is to stop the compulsory sale of playing fields, which is very different, as the hon. Gentleman would recognise if he is fair.

Mr. Greenway: I note the Minister's clarification. I am about to be extremely fair because I want to make two important points that were set out in our blue paper and also included in the Government's strategy.

We called for an audit of all playing fields and sports facilities in order to create a national database. I am astounded that that has not been done before. It is completely illogical to try to determine what is required in various parts of the country without knowing what already exists. I subscribe to the theory that more affluent areas have been able to get sports lottery projects up and running, whereas more run-down and deprived areas, which do not have the business acumen or the support from local communities, have been unable to provide matching funding. We desperately need a database. Only then can we have any idea whether the sale of land will damage sporting provision. We also called for planning policy guidance to be strengthened—another proposal in the strategy. I am sure that all hon. Members would agree that more work needs to be done.

While highlighting areas of agreement, I want to mention two other important issues, neither of which was touched on by the Minister, but on which we have made recommendations that were also mentioned in the document. The first is the need for a cross-departmental forum for sport. The Minister said that it was important for the Department for Education and Employment and the Department for Culture, Media and Sport to work together. However, the Department of the Environment, Transport and the Regions also has an extremely important role to play. We must have more joined-up government, not just between Departments but between national and local government, if we are to have the desired impact.

The other area of agreement is the hope to improve sporting opportunities for ethnic minorities and to tackle exclusion in all respects. That is also mentioned in the strategy document.

I want to mention one or two issues on which we believe the Government should have said more. The first relates to voluntary clubs. The Minister paid tribute more than once to the work of volunteers. Certainly, in the three months or so since I have had this job, I have been impressed by the scale of voluntary action, without which a great deal of sporting opportunity would not exist. However, several issues relating to finance require some fresh thinking, and I have no doubt that we in the Conservative party and the Minister will have to argue with the shadow Treasury team and Treasury Ministers to get some sense across.

Many clubs are not registered charities. As a consequence, they lose out on VAT exemption and discretionary rate relief. I received a delegation to my surgery from the York district sports council, which emphasised the considerable concerns of several long-established sports clubs in the York area that originally benefited from the financial support of a major employer, such as Rowntree, the railways and the civil service, which no longer provide that support. They are now facing substantial rates bills because of the revaluation of their facilities. Many of those revaluations result from improvements that were funded by the lottery. I have agreed to investigate the matter in the York area, and I am sure that the Minister will be pleased to receive a report of my findings. In congratulating ourselves on funding capital projects, we must also be aware of revenue implications. Discretionary rate relief is often the only revenue support that many clubs receive from their local authority.

The document mentions the need to attract national and international events to the UK. I hope that people will realise that my comments on Wembley stadium and the plans for Pickett's Lock are intended to be constructive and positive. It saddens me that the Wembley stadium project has become the subject of ridicule. A story on it appears in the national press every week. I was astounded by the Minister's written replies to me this week. She confirmed that Ministers have known for two years that Brent council would insist on £30 million capital infrastructure investment, and that those matters have been discussed in the Wembley task force that was established by the Culture Secretary and which has departmental representation. The Minister, however, confirmed that there has been no cross-departmental discussion at ministerial level.

I raised my concerns from the Back Benches during Culture, Media and Sport questions before I became the shadow Minister for Sport. I was told that I would be unnecessarily alarmist if I suggested that Wembley might not get the go-ahead or be ready for planned events. Sadly, that is how the situation is starting to look. Only last July, the Secretary of State said that Wembley would be the centrepiece of the Government's campaign to attract the world's premier sporting events to this country, and that he and the Prime Minister had taken every opportunity to associate themselves with England's world cup bid. I applaud them for that, but it is reasonable to expect them to intervene and, as Ken Bates said to me a week or two ago, to bang some heads together to resolve the infrastructure issues.

I am sorry that the hon. Member for Hove has left the Chamber because he was part of a delegation that recently met the leader of Brent council, Paul Daisley, and its chief environmental officer. They were entirely happy with the design of the stadium. There was nothing wrong with it. We are all in favour of England's world

[Mr. Greenway]

cup bid, and I have been grateful for the Culture Secretary's comments at recent events on my support for it. However, the bid would be greatly assisted if consent were granted, even if it were subject to a condition on infrastructure. Having won the right to stage the 2006 world cup, there would not be a huge problem in persuading the private sector to invest in the Wembley area through partnership schemes. That would help to ensure that Brent council puts in place what is necessary for the local community. I hope that anyone who reads our debate would agree that common sense should prevail, even at this late hour. It would be catastrophic if the project were turned down and there was a year or more of appeal and argument.

Wembley has also been something of a shambles in relation to athletics. Last July, the Secretary of State endorsed the new stadium as a suitable venue for international athletics. However, in December he told the House that he was concerned about the viability of the proposed solution. The speed with which the Labour-dominated Select Committee criticised the Minister's decision only served to highlight the mismanagement. The design for Wembley remains unaltered and it will be capable of hosting athletics should the need arise. As the Minister hinted, the Culture Secretary has endorsed the Pickett's Lock site at Enfield as the preferred venue for the world athletics championship. I note from written answers that the Secretary of State's commitment to the International Amateur Athletics Federation is simply for London to provide a suitable venue.

I was at Pickett's Lock on the morning on which the IAAF decision was made in Paris. I can understand why Sport England and the Lea Valley regional park authority offered Pickett's Lock as a suitable venue. However, no one should be under any illusion—a formidable programme of work must be achieved if the 2005 championships are to take place on the site. There is an existing sports centre with an indoor bowling club for the elderly—5,000 people play there regularly. There is no provision for them to go anywhere else. Improvements to transport infrastructure are possible. A railway station right outside the front door and a motorway link can be built. However, we all know how long such projects take to plan and to bring to fruition. We need an accommodation block for at least 3,000 athletes. There are no plans or costings and, we would argue, no money.

Another important question is whether Pickett's Lock would be suitable as a venue at which London could host the Olympic games, perhaps in 2012. Like the Minister, we are looking forward to considering the British Olympic Association's feasibility study later in the year. I would like the Minister to tell us what the Government's response would be if the BOA found against Pickett's Lock. A problem that I can envisage concerns accommodation. I understand that one would need up to 10 times the number of beds for an Olympic games as for a world athletics championship.

Mr. Gareth R. Thomas: My constituents have already identified an excellent spot for the accommodation venue. It is currently RAF Northolt, which generates 13,000 flights, all of which are very irritating to them. The site would be much better used for housing.

Madam Deputy Speaker: Order. Before we have too many publicity advances, the hon. Member for Ryedale (Mr. Greenway) might continue.

Mr. Greenway: Middlesex university would be interested in building accommodation for about 3,000 people at a site at Pickett's Lock about a mile from the existing sports stadium. That would be enough for the world athletics championships but nowhere near enough for an Olympic games.

For the avoidance of doubt, I confirm for the Minister that, on the day on which I visited Pickett's Lock, I issued a press statement endorsing the selection of the site. I emphasised the challenging programme of work needed to accomplish the promise made. The more one examines the issues, the more challenging that programme becomes. What has happened concerning Wembley does not inspire confidence, not only in we politicians but in others outside Parliament, especially in the media, who are only too keen to take advantage if things start to go awry.

Whether in bidding for the football world cup in 2006, the world athletics championships and the Olympic games or ensuring the success of the Commonwealth games in Manchester in two years' time, the Conservative party will give the Government and the sports bodies concerned every possible support. However I hope that the Minister will take the comment in the spirit in which it is offered we have a duty as the official Opposition to ask the questions that must be addressed to ensure that the Government play their full part in fulfilling the aspiration that they have so readily endorsed.

On the whole, the document is welcome, not least because it acknowledges the parlous state of sport in schools and the need to reverse the decline in participation by young people in competitive team sports. It might be argued that three years was a long time to wait for the Government's first major policy initiative on sport. My greatest criticism is that, during those three years, the Government's education policies have undermined sports provision through an over-prescriptive curriculum. We shall reverse the decline in school sports only when that over-prescriptive approach is abandoned. Further, the decline will be reversed only when every child, and not only those thought to be gifted, is allowed the chance to take part in a range of sports with sufficient frequency and encouragement. In that way, their talents might develop, if only to allow them to see sport as an important part of their future life. In that respect, I share the Minister's aspiration.

3.54 pm

Mr. Bob Russell (Colchester): To continue the final few comments of the hon. Member for Ryedale (Mr. Greenway) and to maintain the united sport front, the Liberal Democrats broadly welcome "A Sporting Future for All". To emphasise the point, I say that sport really matters.

The Government deserve a gold medal for all their hype on the issue. However, the reality is that our young children—at least 75 per cent. of them, according to the

Government—are being cheated when it comes to sport and physical recreation in schools. We welcome the general thrust and the strategy set out in "A Sporting Future for All", provided this is the first, and not the only, step. The promises will become just another broken pledge if there is not rapid progress toward implementation with further boosts to sport to follow.

Young people today are less fit than their parents, grandparents and great-grandparents were. A study for Sport England, published earlier this year, confirmed that a generation of unfit children is emerging from our schools following the decline in PE lessons, which is the result of the drive to raise standards in literacy and mathematics. Worse, millions of youngsters spend far more time watching television or playing computer games than taking part in any form of exercise. A medical time bomb is ticking away under the nation.

Sport England's chairman, Trevor Brooking—the much respected former England footballer—has been quoted as saying that children leaving school now are

> technically the worst generation I have ever seen.

He added:

> The fundamental problem is that children are not being taught the basic techniques of how to hold a bat or racquet, or how to kick a ball.

Sport is not encouraged in schools; it is discouraged. The overemphasis on academic achievement at all costs—placing less importance on everything else, so that pupils can, it is hoped, achieve slightly higher pass marks, thus improving their school's place in the league tables for examination results—is damaging our young people. Their present and long-term health, their fulfilment in many other spheres and their quality of life are being harmed. Involvement in the uniformed movements and other youth groups and participation in the full range of the arts and sports are harmed by the unhealthy obsession with academic studies. The message going out to young people is that those who are less academically gifted are of less worth to society. That attitude must be changed. Life is made up of more than the classroom and spending long hours studying at home.

Schools are failing in the basic requirement—a Government target—that pupils should participate in a minimum of two hours of physical education a week. In a parliamentary answer on 7 March in column 576W, it was admitted that the two-hour minimum is not being achieved in three of four age groups and was only just achieved in the fourth age group. Those figures were based on inspections by the Office for Standards in Education in 1998. We fear that the situation has worsened rather than improved since then. At key stage 1—pupils aged five to seven—the average time spent on physical education was 1 hour 20 minutes a week. At key stage 2—ages seven to 11—it was 1 hour 35 minutes. At key stage 3—ages 11 to 14—the minimum two hours was achieved. At key stage 4—ages 14 to 16—it had fallen to just 1 hour 15 minutes. Those figures confirm my observation that the Government's education policies are forcing schools to relegate sport and recreation from the timetable. Would the Minister like to guess how many sports teachers will be awarded performance-related pay?

This Government, like previous Governments, do not rate sport highly. They seek to bask in the glory of sporting triumphs when they occur, but the reality is that, as a nation, we do not do anything like enough to encourage sport and physical recreation. I exempt the Minister for Sport from my criticisms. I have total confidence in her. I know that she would like to do more to give sport the priority and importance that it deserves. However, sport will be taken seriously only when it has a department of its own with its own—greater—resources, providing joined-up government across the various Departments. Education and Employment, Environment, Transport and the Regions, Health and the Home Office are four obvious ones. What role does the Minister feel that sport offers the social exclusion unit and vice versa?

Mr. Gareth R. Thomas: The hon. Gentleman said that a ministry of sport should have more resources; would he care to put a figure on that?

Mr. Russell: That is a good question. The figure is not available, but the hon. Member for Ryedale provided a shopping list of various organisations whence that came. If we are to have joined-up government, we must work out the cost to the public purse of criminal damage, unhealthy children and so on. Such matters cannot be put into compartments. The hon. Member for Harrow, West (Mr. Thomas) may want to do that, but joined-up government means more than just putting a price on something.

Today's debate is on probably the quietest parliamentary Thursday of the year, and in the training room of Westminster Hall instead of the main stadium of the House, which epitomises the Government's attitude to sport. "A Sporting Future for All" was launched on 5 April, not in the House, but in a publicity stunt in Haringey, with two Secretaries of State squabbling over who should take the credit. When reference to that discourtesy was made in the House, Madam Speaker deplored what had occurred, but neither the Secretary of State for Culture, Media and Sport nor the Secretary of State for Education and Employment was present for the admonition. It fell to the Minister for Sport, who had been frozen out of the launch that morning, to take the rap and to apologise because the document had not been presented to the House first.

It had all been different a few hours earlier. On the morning of 5 April, the Department for Culture, Media and Sport issued a press release headed "Smith and Hoey launch a sporting future for all". It contained a two-paragraph quote from the Minister for Sport. That release was quickly pulled and a new one was issued jointly by the Department for Culture, Media and Sport and the Department for Education and Employment. The opening words stated:

> David Blunkett and Chris Smith today launched a radical boost in access to school sport.

The name of the Minister for Sport had been removed from that second press release, as had her comments. Her words had been replaced with three paragraphs of quotes from the Secretary of State for Education. That sums up the Government's real attitude towards sport—even the Minister for Sport was sidelined when they launched their sports strategy.

"A Sporting Future for All" includes an introduction by the Prime Minister:

[Mr. Russell]

> For all of us who take up sport, a good start in the early years is important... It is in school where most of us get our first chance to try sport. It is here that children discover their talent and their potential. They need the chance to try a variety of sports to see which they enjoy most. They need high quality teaching of basic skills.

I am sure that we all endorse those fine words from the Prime Minister, but what will the Secretary of State for Education and Employment do to make them reality? The evidence is that our schools, because of Government policies, are failing our children in sport and physical education. No amount of fine words and glossy pamphlets can hide that stark reality.

"A Sporting Future for All" includes a section headed "The Vision" and the chapter "Sport in Education" has my total support, but will the Government deliver what they state? The strategy statement, "Increasing Participation by Young People", states:

> Physical education and sport are a fundamental part of the education of all young people.

No one would argue with that, or with the further comment that

> in too many schools physical education and sport have declined.

But the policies of successive Governments have caused that; schools did not choose to bring that about.

The pledge of financial support for sport in schools is welcome, but it must be put in context because it is not a lot when spread across the country. Although 110 specialist sports colleges by 2003 is better than nothing, there are 3,560 state secondary schools in England; £150 million for primary schools is also better than nothing, but there are 18,234 such schools in England. The sum is less than one fifth of that spent on the millennium dome—talking of which, would the Minister care to comment on the proposal to the dome legacy competition that its long-term use should be as a sports dome featuring 50 sports, making it the largest concentration of sports ever assembled under one roof anywhere in the world? The £240 million support for schools to provide out-of-school-hours activities is also welcome, but the Minister knows that that is too little for the country as a whole. How many youngsters aged 14 and over will have time to make use of them when they are burdened with so much studying at home?

Perhaps the Minister will draw to the attention of all the Education Ministers paragraph 2.4 on page 8, which states:

> These plans will allow a new start for sport in schools. We know that excellent physical education and school sport are a key part of an effective school. Sporting achievement and academic standards go hand in hand.

Furthermore, the opening sentence of paragraph 7.1 on page 29 states:

> Physical education is an essential part of a broad and balanced curriculum.

If the Government are serious about wanting to reverse the decline of physical education and sport in schools, and improve the quality of provision for all young people, they must provide the resources to match the warm words. They must also let Education Ministers proclaim time and again that sporting achievements and academic standards go hand in hand. In that way, perhaps educationists at all levels will get the message. Up to now, I have concentrated on sport in schools, because unless we quickly reverse the trends of recent years, the future for UK sport will be even more bleak than it is.

Football has never had as much money as it has now. However, the English professional game is arguably worse off than ever before, and our long-term future on the international scene is threatened. Huge sums are concentrated among a few clubs, but instead of the money being used for the wider benefit of the sport at all levels, it is going into the grotesque salaries of a relatively small number of overrated, over-priced and overpaid professionals, who, with their parasite agents, are sucking vast sums of money out of the game.

The Government should be considering financial strategies to redistribute the wealth in football so that it benefits the many and not the few. I invite the Minister to discuss this matter with her Treasury colleagues. What I propose would not involve additional public expenditure. Grass-roots football—junior clubs and youth teams at all levels—would have their fortunes and facilities transformed by a redistribution of the money that is sloshing around the highest reaches of the professional game before being grabbed by a greedy minority.

The smaller professional and semi-professional clubs which do so much to promote football in all parts of the country would also benefit. To put this into perspective, Manchester United's annual wage bill is the equivalent of the cost of building several new stadiums for second and third division clubs—I declare an interest in relation to my home club, Colchester United—as well as those in the feeder leagues.

A few days ago, I received a letter from the chairman of Yeovil Town football club, which plays in the Football Conference, the feeder league to the Nationwide Football League. The total attendance at all Conference matches this season will be at a record level for the third year running. Many such small-town clubs have an active programme to develop their role and activities in the community. However, Conference clubs are ineligible for grant aid from the Football Association to run official football academies for young players in their towns, although assistance can be given to the bigger clubs. The Government must sort out such unfairness, as it is yet another example of how the football authorities allow the big clubs to dictate what happens in our main national sport.

Mr. Greenway: May I, as president of York City football club, bring some good news to the hon. Gentleman? A working party consisting of three third division chairmen has been set up, headed by the chairman of York City, Douglas Craig. It will examine how support for the Conference can be improved, and how more clubs in the Conference can be promoted to the Football League. One never knows—Yeovil Town might make it.

Mr. Russell: I am most grateful for that intervention. An increased number of clubs entering the Football League from the Conference would also mean an increase in the number going out. York City should be very wary of that.

Although the Minister has referred to some money from the premiership being distributed to lower levels, the amount is minute. It could be conscience money. It has, in a way, taken our eye off the ball, because 5 per cent. of premier division money is not a vast sum, when we think of all the money that is floating around.

If the strategies and recommendations of "A Sporting Future for All" are implemented, and provided that sufficient financial resources and quality coaching are made available, we can perhaps look forward to a better future for the nation's sport, not only in terms of national success, but at all levels. We should encourage participation by all, not just by those who have the potential to be the elite performers in their sport, and not just in the major sports, such as football, rugby, cricket, hockey, tennis, swimming, and athletics, but in the so-called minority sports.

The current British sabre champion is a young man from my constituency. The Minister may recall receiving earlier this year a letter from that young man's father. His story illustrates, on one hand, the aspirations set out in "A Sporting Future for All" and, on the other, the stark reality for our talented young people, who are cheated of the chance to realise their full potential. My constituent, Robin Knight, now aged 20, joined Colchester fencing club at the age of 11, after attending an introductory session at his school. His considerable talent was quickly recognised. Fencing is a minority sport in this country, but it is big in other parts of Europe. Last year, it cost Mr. Knight—or, more precisely, his parents—almost £10,000 to cover the cost of his equipment, training fees and travel and hotel costs for major events. For the world championships in Korea, he received £500 from the national sports organisation, of which £474 went to pay his air fare. He had to buy his track suit, for which the balance of £26 was inadequate.

The Government must provide more support, if the best of our young people are to succeed on the national stage. Had it not been for his parents, it is unlikely that Mr. Knight would have been able to compete for his country. If there were a proper level of support, his international prospects would be improved immensely. Incidentally, I would also welcome further support for our talented sportsmen and sportswomen from British industry. At the recent sabre international tournament in London, the Spanish team was sponsored by Wilkinson Sword Ltd. The same company has rejected a request that it sponsor Robin Knight, the British champion. That attitude is regrettable.

Support from large and small companies is appreciated, but it should be regarded as top-up, rather than core funding. I pay tribute to Lancaster garages, one of many sponsoring companies, which is helping the training of a gifted young athlete from my constituency, Sarah Claxton, who, many believe, has the potential to become an Olympic medallist in four years' time. The Minister should consider what help can be given to Miss Claxton and others. I would also welcome some comment from the Minister on the extraordinary fact that the British Olympic Association is one of only two national Olympic committees that do not receive public money. The Government should take measures to ensure that our sportsmen and sportswomen compete on a level playing field.

Nothing should take away from the importance of the voluntary contribution that so many people make to sport in this country. They are the backroom men and women, without whose dedication our sport would be even more impoverished. The Central Council of Physical Recreation described volunteers as

"the foundations of British sport".

That is true, and one small way to recognise it would be for the Government to exempt volunteers from having to pay for the criminal record checks that will soon be introduced. I also endorse the CCPR's proposal that voluntary sports clubs should be eligible for mandatory rate relief. I have been told that the future of Brighton and Hove cricket club has been put in jeopardy because of a demand for £5,594 in business rates. It would not be too costly for the Government to grant rate relief to sports clubs throughout the country, but it would be more than repaid in what those clubs could do to promote sports, if they were no longer faced with a battle for survival.

The Minister will, I hope, be pleased to hear that my comments on the fiasco of the Wembley stadium development will be brief. She knows that when I got a question about it on to the Order Paper, it was mysteriously shunted off to the Department of the Environment, Transport and the Regions, even though it dealt with Wembley stadium and the Wembley task force. Methinks, in the light of what the hon. Member for Ryedale said, that there was a conspiracy of some sort to prevent it from being raised in the House. I am astonished at the Government's vandalism, allowing the demolition of arguably the most famous stadium in the world.

Madam Deputy Speaker: Order. I hope that the hon. Member is not suggesting that Ministers are adopting an unacceptable attitude, because that would not be correct.

Mr. Russell: If any offence was caused by my remarks, I withdraw them. The Minister and I have corresponded on and discussed these matters, and my comment was made in jest.

Madam Deputy Speaker: Order. Unfortunately, *Hansard* has no way of indicating that a comment was made in jest. We might suggest that it introduce a suitable symbol, but I hate to think where such a precedent would end.

Mr. Russell: I am not suggesting anything untoward, Madam Deputy Speaker.

Returning to the demolition of Wembley stadium, I am astonished that the Government should be such vandals, allowing the demolition, as I said, of arguably the most famous stadium in the world. Historians will look back in amazement at the destruction of this important 20th-century building, which was the venue for England's most important sporting triumph—winning the football world cup in 1966—and the 1948 Olympic games. It is to be replaced by an ugly stadium in which only 40 major sporting events a year will be allowed, and which will still be served by a grossly inadequate road and rail system. What a waste of money. The total cost of the project approaches that of

[Mr. Russell]

the dome. Perhaps some will think that the stadium is better value for money, but sports men and women in general may think that money would have been better spent on a different site, at a lower cost, leaving funds for other sports developments.

The Government rightly oppose in principle the sale of school playing fields, although reality has not matched the rhetoric. Of the scores of applications received, only a handful has been rejected. The Minister will agree that, on some occasions, the disposal of surplus space can generate income for all-weather pitches or sports halls, which constitute better overall neighbourhood sports provision. However, the sale of playing fields by companies and public bodies poses more of a threat.

In my constituency, the Royal London Mutual Insurance Society plans to sell its playing fields, which include four football pitches, for commercial development. The Government, through the Ministry of Defence and the national health service, also eagerly hope to sell sports fields. I hope that they will not operate double standards in respect of pitches that they own. Nor should planning guidelines relating to brownfield and greenfield developments be ignored.

Overall, "A Sporting Future for All", which promises much, is to be welcomed. Delivery will be eagerly anticipated, and further progress and improvements sought. I know that the Minister wishes to achieve sport for all, and I wish her every success in her endeavours. In that regard, she can count on constructive support from Liberal Democrats.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. Before I call the next speaker, I should point out that a number of Members want to contribute to the debate. I am not seeking to restrain hon. Members, but they should bear in mind that a degree of discipline will enable those who wish to speak to do so before the afternoon is over.

4.18 pm

Dr. Howard Stoate (Dartford): I shall endeavour to be reasonably brief.

As one of a small but select band of hon. Members who recently participated in the London marathon, I feel qualified to contribute to this afternoon's debate. I am the fastest marathon runner among current hon. Members, but before I am accused of boasting, I should point out that I fall a long way short of the record holder, Matthew Parris, who was considerably faster. I should like to place on record my thanks to hon. Members for their generous sponsorship, which helped me to raise more than £2,500 for Mencap.

As you would expect, Madam Deputy Speaker, I shall put a slight medical spin on the debate. A doctor might define sport as a way of making exercise purposeful and enjoyable, and which encourages people to keep it up. The nation's broom cupboards must be full of many thousands of exercise bikes and rowing machines, bought in good faith but abandoned due to inertia and boredom of a solitary activity. Therefore, one great advantage of sport is that it is often a communal activity. People may also feel that, if they do not turn up to play regularly, they are letting their colleagues down. That camaraderie is what makes sport different from routine exercise, which can be boring.

Why is exercise so important? Most people are preoccupied with living for as long as possible, and in that respect the evidence about exercise is stark. People who take regular exercise gain significantly, in terms of their chances of staying alive, over those who do not do so. The figures are astonishing. People who exercise commonly suffer only half the rate of heart disease and stroke that is suffered by those who exercise very little or not at all. People double their chances of dying early by not taking regular exercise—it is as simple as that.

Unfortunately, Britain does not fare well in the incidence of heart disease and stroke—we are very near the bottom of the European Union league table. In France, there are 36 deaths per 100,000 a year from circulatory disease among people under the age of 65. Britain has 70 deaths per 100,000 among people in the same age group. We have twice the rate of heart disease in France. Proof that exercise—of which sport is a major form—can improve matters should alone spur people to continue.

Unfortunately, some people are significantly more at risk than others. Women do not take part in sport as much as men, and are at greater risk of having a stroke. Thus, they not only find it more difficult to take part in sporting activities, but are more at risk from not doing so. It is a double whammy. People from south Asia have a significantly higher risk of heart disease than people from other ethnic groups.

Britain has a significant health problem, and sport is part of the solution. We therefore need a strategy to increase sporting participation among people in general, as well as targeting it at specific groups. "A Sporting Future for All" is important because it sets out such a strategy. However, there are significant barriers to achieving some of the document's aims—for example, the recommended level of activity.

A physician would say that 20 to 30 minutes of good quality exercise four or five times a week should keep the average person in reasonably good shape. The problem is that people's life styles often make that difficult to achieve. Working hours in Britain—48 hours a week on average—are among the longest in Europe. Balancing the competing demands of work, family and other activities deters many people from regularly taking part in sport. For the socially excluded, access is denied not only by lack of time, but by lack of opportunity. Sporting facilities can be financially and geographically well beyond their reach.

Good habits must be promoted early on in life; it is important to encourage people to take part in regular sport from the earliest possible age. That is why I am pleased that the Government have, to a large extent, focused their resources on primary schools. If primary school children begin to exercise regularly, it is much more likely that they will continue to do so throughout their lives. As the hon. Member for Colchester (Mr. Russell) said, the current generation of children is far less fit than previous generations. That is partly due to the fact that some schools do not take sport sufficiently seriously. I am pleased that the document proposes a framework for remedying that.

Unfortunately, however, there is more to the matter. In today's society, children are far more likely, when they come in from school, to play on the computer or watch television than to socialise with their colleagues and friends or engage in sporting activities. My children regularly take part in sport, but I have to remind them to turn off the computer or television and go out to play football or go to the park with their bikes. It is a struggle, because society has a couch-potato mentality. When people get in from school or work, they tend to slouch in front of the television, and it is difficult to get them to take sport more seriously.

As a doctor, I assure hon. Members that sport improves not only physical but mental fitness. People who say to me in my medical capacity, "I feel far too tired to exercise", have got things the wrong way round. The more that one exercises, the less tired one feels. If, when I get home after a difficult day's debating in the House, I go for a 10-mile run, I return from it feeling absolutely marvellous. It gives me an enormous boost. [*Laughter.*] I do not know whether *Hansard* will pick up those nuances.

People talk about the endorphin rush, which involves natural morphine-like substances that everyone has in their brain—such substances are entirely legal and the police cannot touch people for using them. They give one precisely the same buzz—allegedly—as recreational drugs, but with far fewer health risks and no risk of being caught and prosecuted. Many scientific studies have documented the fact that mental well-being after a heavy bout of exercise is not to be sniffed at. [*Laughter.*] I use that word advisedly.

Madam Deputy Speaker: Order. We should treat this subject with great seriousness.

Dr. Stoate: I do not wish to be flippant—this is a serious issue, and I do not want to give the impression that I do not take it extremely seriously.

Medically speaking, there is nothing better than regular exercise to keep one's body and mind in trim, and sport is an extremely good way of doing that. We have heard much this afternoon about the Government's approach, and I am pleased that the document sets out a detailed strategy. That will ensure that the Government play their part in helping schools and communities to develop sporting activities. The focus may largely be on primary schools, but in my constituency, Dartford grammar school—a secondary school—is the host of the Beckett centre, which is a sporting facility that is open to the entire community. The school uses the facility during the day, and the community makes great use of it at evenings and weekends. There are many ways in which schools can participate to ensure that everyone makes the best use of such facilities.

The Government are to set up 110 specialist sports colleges by 2003. I am slightly disappointed that one school in my area was unable to become one. After an unfavourable report by the Office for Standards in Education, Dartford West boys school intended to become a sports college, but the local education authority did not want to pursue that approach and chose instead to close the school. There was little that the Government could do, and, unfortunately, the school will close in due course. However, there are opportunities for schools elsewhere—the Government are committed to setting up a significant number of sports colleges, and they will have a significant impact.

Various local initiatives are being pursued in my constituency. For example, there are significant efforts to promote increased involvement in sport by women. I am the president of a cycling club in Dartford, Team Darenth, which is trying to increase the number of girls and young women who cycle. Women have not taken up cycling as a sport to the same extent as men, but we are considering using trained women cycling instructors to help to encourage young women to do so, which should make a significant difference.

Another initiative seeks to encourage young disabled people in my constituency to get into sport. That should ensure that disabled people, whatever their disability, have the same opportunities as everyone else to take part in sport.

My overarching theme is that, however unfit people may feel—however unable they believe they are to take part in sport—there is always a sport that they could do. There is no such thing as someone who is maximally fit; it is always possible for people to become fitter. People who are supremely fit can get fitter, and those who are supremely unfit can always find ways to become fitter. People may feel that they are so unfit that it would be dangerous for them to exercise or take part in sport, but that is not right. With proper training and instruction, people can always become fitter, which will improve their quality of life.

I do not treat this debate flippantly; it is of an extremely important matter. Anything that encourages sport for all will be of great benefit to all, whatever their ability or background.

4.28 pm

Mr. Colin Breed (South-East Cornwall): I should like to make four brief and somewhat parochial points. I agree with much of what has been said, and I do not want to repeat points that have already been made. We appear to have reached a significant degree of agreement.

First, there is a perception that because rural areas are covered by greenfield or brownfield areas, local people have ready access to open areas for recreation and sport, but that is not so. Many such fields are commercial concerns. Young people in rural areas often do not have the access to playing fields that people assume. Even when relatively small and poor parish councils can get a few coppers together to buy a bit of ground, the bureaucracy and safety issues involved prove far too great a problem. I hope that, in moves to deal with playing fields and access for everyone, it will be recognised that rural areas sometimes need additional support because of the costs of providing playing fields.

Secondly, I think that we all agree that we have lost far too many playing fields. I hope that the Minister can find a means, through discussion with colleagues in other Departments, of establishing a direct presumption against development, because development causes some of the sales—although that is not to say that there will always be a case for such presumption. Local authorities sell their playing fields because that provides them with a contribution. Development can take place on them, so

[Mr. Colin Breed]

they acquire a development value. Participation in sport that could be retained is lost because land with development value is sold.

Thirdly, as regards voluntary clubs, I hope that the proposals will go right down to the grass roots. We have heard some big figures. The football club in my home town has nine teams; it gets sponsorship from local business for its shirts, and we are all enjoined to sponsor the match ball and everything else. However, the poor young people who go along have to provide £2.50 each week to pay the local authority to use the ground. Everyone else seems to be putting in, but parents with two children who want to go along have to find £5 a week—week in, week out—which is a lot. It is good to have rate relief on ground fees for sports clubs, but there should be some other sort of relief so that young people, in particular, can use playing fields without having to stump up out of their pocket money. That is grass roots stuff.

Fourthly, we all recognise the importance of school sport. The difficulty in rural areas—as those of us who have tried to promote after-school sport know—is that most children use transport, such as school buses. The bus goes at quarter-past or half-past 3, but anyone who wants to stay on after school will not be ready to leave until quarter to 5 or 5 o'clock, when the bus has gone. There is also the problem of parents coming for their children. The school where I was the chairman of the board of governors tried to devise a system whereby we had an early bus and a late bus. However, the cost of the service relative to our budget made it prohibitive, even though many children wanted to avail themselves of it.

There is a lurking problem in school sport; such problems sometimes build up because they have become excuses for doing nothing. The problem relates to safety. Schools are concerned about becoming the subject of litigation if a child breaks his leg or neck or suffers some other major injury. They therefore face the additional cost of providing safer equipment.

The other day, I discovered that providing cricket helmets for children to participate in the sport would cost £30 or £40 a child. Of course, if children do not have a helmet and have an accident, the school will be liable to significant litigation. That is a growing problem. Indeed, there are similar developments in other areas of society, where people are only too keen to pick up the telephone to ring the nearest solicitor who happens to advertise on the back of a bus to inquire whether the solicitor might be keen to pursue the case of someone who is injured.

A more nationally based policy is needed to enable schools to protect themselves, so that sport, which can be accidentally dangerous, can be continued as safely as possible but with a recognition that accidents can happen. There is no need for hugely expensive insurance premiums or massive budgets for possibly unnecessary safety equipment. Those are practical issues at the smaller, school end.

I hope that all the report's aims and objectives are achieved as quickly as possible. There are only a few hon. Members present, yet probably the one thing that most constituents talk about during the week is sport. They are not really interested in the euro, or other such things. They and their children talk about and watch sport. It is something in which both men and women and boys and girls participate and talk about far more often than we realise.

4.35 pm

Mr. Alan Keen (Feltham and Heston): I am grateful not to have been called immediately after my hon. Friend the Member for Dartford (Dr. Stoate) because, after his frequent mention of heart attacks and the speed of his delivery, I was left exhausted, despite the fact that I far exceed his recommendations on weekly exercise. I congratulate my hon. Friend and his three colleagues who completed the London marathon more quickly than I dare dream about. I know that because they cost me at least four weeks' pocket money in sponsorship.

I did not intend to mention politics, even on this election day, but I was inspired by the hon. Member for Colchester (Mr. Russell). I was reminded a couple of weeks ago about this issue because I was flattered to find that Brentford football club, Queen's Park Rangers and Wasps were competing for the development of the Feltham marina site adjacent to Feltham station in my constituency. A 35,000-seater football stadium and an ice rink are to be built there. I was reminded—not by a Liberal Democrat—that a long time ago the Liberal Democrats in Richmond demolished the ice rink. I am not saying that they let people down after promising to rebuild it, but 25 years is a long time. It looks as though we are to have another rink in Feltham. Perhaps the people who are still waiting for the Richmond rink to be rebuilt will travel to Feltham; the journey from Richmond takes only eight minutes. I apologise for the politics.

I spoke to my hon. Friend the Minister for Sport before the debate began and was delighted to be told that she would speak for half an hour, a much shorter time than she took when she was a Back Bencher speaking about sport. I congratulate my hon. Friend not only on her appointment—this is the first time since she became Minister for Sport that I have spoken in a sports debate—but on the sports strategy, of which I am proud, despite the criticisms which can be made, one of which I have pointed out and to which I will return in a while. We should pay tribute also to the late Denis Howell and to my hon. Friends the Members for Stalybridge and Hyde (Mr. Pendry) and for West Ham (Mr. Banks), who have contributed greatly to the development of sports policy over the years.

"Sport for All"—with "A Sporting Future for All" has included children, young people and older people, and those with disabilities. One thing that we do wrong is define sport too narrowly. I should like other pastimes to be brought into the arena of sport. We want to motivate everyone to become involved in activities that we may not now classify as sports but that can be developed as such if there is co-ordination among sporting bodies. In that way, we can widen the term "sport", instead of defining it too narrowly.

I apologise for repeating something that I mentioned in a previous sports debate. I was reminded of it by Trevor Brooking, who spoke at a meeting that I organised in Hounslow last week. He said that my right hon. Friend the Member for Redcar (Marjorie Mowlam) had taken him to an area where sport was

used as part of the ammunition to regenerate a town that had been brought completely to its knees. Buses could not go through it because of vandalism and threats of violence. I was brought up in that town, and I know it well. Sport plays quite a part there. Middlesbrough football club has a centre in the town, where Frank Spraggon and Jim Platt, two ex-internationals, give coaching.

Sport has helped to bring the town back to what it was when I was a kid; as a child and a young man I spent most of my spare time playing all kinds of sports, all provided by the local authority. In the summer, eight of us played tennis from 9 o'clock in the morning. We paid for half an hour, and, knowing that no one else would come and that we did not have much money, the park attendant let us play on for six hours. We then went and played bowls; if young people were allowed on a bowling green nowadays, people would have their hearts in their mouths, but in those days we looked after everything. That is what sport can do.

We must ensure that the links between schools and clubs are maintained. As hon. Members have said, sport gives young people a feeling of belonging and a sense of ownership. The fact that they are participating and have something of value in their lives does so much to promote that feeling of belonging. If we can get young people to be involved in sport, they can be helped to improve their performance. In my constituency, people play sport at all sorts of levels, from my level, for example, to that of Mohammed Farrah, a fantastically promising distance runner, now aged 16, who looks like being an Olympic champion in four years or so. It does not matter what level people are at—if they are proud of what they do and gain satisfaction from what they achieve, even if it is only self-satisfaction, it will deter them from taking recreational drugs, which often lead to their taking harder drugs and damage people's lives. Another incentive for encouraging people to take part in sport is that it promotes a healthier life style, as my hon. Friend the Member for Dartford said. Think of the consequences for the national health service in the future if the population is healthier.

It is important to establish and strengthen the links between school sport, which we will improve in the next two or three years, and clubs; we must encourage young people to carry on participating in sport when they leave school. We must not lose those kids; I am not talking about compulsion—we do not want to force people to take part—but we do want to give them the opportunity to go on to clubs, and the sports co-ordinators will help them to do so.

My criticism of the strategy is that it makes only sparse reference to veterans' sport. The link between clubs and old-age pensioners needs to be continued; I have never entered for a marathon, but in the past two years I have started doing half-marathons, and managed to get to the end without stopping. That proves that sport can continue when people are older. There would be an even bigger improvement in the nation's health if we could encourage people to participate in sport later in life. My hon. Friend the Minister opened the veterans' world athletics championships at Gateshead last year and they were thrilled by what she said.

It is difficult for people to play sport, especially team sports, when they leave school. I broke the link and did not play active team sports for 20 or 25 years, until I came to this place in 1992 and, finding that it was so much like the public schools that I had read about at school, I started playing team games again. Let me put in a plug for the parliamentary football team which is playing a charity game next Monday at the Stadium of Light against the north-east press, including part of the old Sunderland cup-winning side of 1973. That shows that the ability to play sport can extend well into the advanced years.

Our parliamentary football team also played in an international tournament in Portugal last summer. To our credit, we came fourth, missing second place only on penalties. As one who called for the resignation of the previous England manager for not practising penalties, I must point out that we were beaten by the Italians in a penalty shoot-out. Italy scored eight consecutive penalties and we scored seven—twice as many as the England side has ever achieved. I therefore feel justified about my comments, as coach, when I criticised the previous England manager. If the present England manager would like to include any of our top players in his squad, he could bring us on 30 seconds from the end of a draw to take all the penalties.

Mr. Greenway: Name them.

Mr. Keen: I could name them, all right.

My hon. Friend the Minister spoke about veterans' athletics, which shows what can be achieved. These people competed in athletics at a high level to begin with, but greatly extended their competition years. I spent three or four days there and was most impressed with an Englishman who broke the world 200 m record for over 45-year-olds. I forget his exact time, but the professionals who organised the games at the Gateshead stadium were most impressed. The man was 47 and was asked about his lifetime's best. He was expected to say that he achieved a faster time 20 years earlier, but he said, "That was it." He ran his best ever race at the age of 47, which shows how people can carry on over the years and keep up a healthy life style.

As a member of the Select Committee on Culture, Media and Sport, which investigated the future of the Wembley stadium complex, I bet that, if we successfully bid for the 2012 Olympics, they will take place on a concrete platform in the present stadium, not at Pickett's Lock. The present Sports Minister may even be Prime Minister by then, but whoever is, he will rubber-stamp that decision.

Finally, I offer my best wishes to the British Olympic Association. I know all about the wonderful preparation that it made in Queensland for the Olympics. All the administrators and athletes, who will travel there from all over the world, should also be thanked.

4.48 pm

Mr. Gareth R. Thomas (Harrow, West): I should declare an interest as a supporter of Harrow borough football club, which is in the Ryman premier league. I am sponsoring its final home match of the season on Saturday. On each of the two occasions that I have sponsored the team in the past, they have scored five

[Mr. Gareth R. Thomas]

goals. They need one point to be sure of staying in the Ryman premier league. I hope that they will score five goals again on Saturday to ensure their survival.

Madam Deputy Speaker: Order. This has been an interesting and instructive debate, but seldom has so much free advertisement been offered to so many sporting venues.

Mr. Thomas: I am also a member of the London Welsh rugby football club whose recent application to join the Welsh-Scottish league will, I hope, be successful.

Sport is a crucial element of the social cement that binds our communities, as has already been said. As my hon. Friends the Members for Dartford (Dr. Stoate) and for Feltham and Heston (Mr. Keen) stressed in their contributions, it is also crucial to the physical and mental well-being of our citizens. The links between the lack of participation in sport and the greater propensity to commit crime or play truant are well known and well documented.

The economic significance of sport is also profound, from the bed and breakfast on the Pembrokeshire coast for the sea kayaking enthusiast to the multi-million pound enterprise that is Manchester United. That issue has been discussed somewhat less, although the hon. Member for Colchester (Mr. Russell) touched on it. Ladbroke Racing Ltd. is based in my constituency and has started a new telephone-betting service within the past 12 months. My hon. Friend the Member for Feltham and Heston talked about where the 2012 Olympic games might be, and I invite him to put some money down and take advantage of the service that my constituents provide through Ladbroke Racing Ltd.

As I understand it, consumers spend £12 billion on sport, and the industry directly provides 420,000 jobs. Clearly, the Department of Trade and Industry can also play a crucial role in a strategy for sport to foster the sports industry. I hope that the relationship that already exists, as I understand it, between the sports industry, the DTI and the Department for Culture, Media and Sport will continue to grow.

I warmly welcome the excellent document "A Sporting Future for All", and my hon. Friend the Minister deserves considerable praise for producing it. The twin-track vision of increasing participation for all in sport and driving up success rates for British athletes is absolutely right. As hon. Members have said, particularly focused efforts need to be directed at continuing to increase the participation of women and ethnic minorities.

I also strongly support the moves to modernise the administration and support structures for sports, in particular for our Olympic medallists. It is worth highlighting the fact that we came ninth in the 1980 Moscow Olympics. Five Olympic games on, at Atlanta in 1996, we plummeted to 36th place. The decline in the colour of medals won has been even greater: we won one gold medal in 1996, compared with five at Barcelona four years earlier. We won 34 medals in all at the 1988 Seoul Olympics, 20 at Barcelona four years later and went down to 15 at Atlanta in 1996. The drive to raise the level of support that we offer to our most talented athletes is crucial.

Interest in sport begins in the main—although not exclusively—when we are young. Sport England's survey on young people and sport, which my hon. Friends have highlighted, offers a number of positive news stories. Both boys and girls are increasingly likely to play team sports. Between 1994 and 1999, the proportion of boys taking part frequently rose from 72 to 75 per cent. Among girls, the proportion went up from 34 to 42 per cent. The proportion of children taking part in after-school sport rose from 74 to 79 per cent. That shows that there have been some successes over the past five years in relation to sport in schools and among young people.

However, areas of concern remain, as my hon. Friends have said. I want to highlight the fact—again from the Sport England survey—that only 17 per cent. of primary schools have access to a multi-purpose sports hall. I understand that the figure for secondary schools is four times higher, although that in turn means that at least 30 per cent. of secondary schools are without access to a multi-purpose sports hall.

We should not be complacent about the quality of the multi-purpose halls that we have. Whitmore high school in my constituency has particular problems getting a range of children into the hall, because it is not big enough. In that context, the £150 million investment in the worst parts of school sports facilities that was announced when the document was released is enormously welcome, as is Sport England's commitment that 20 per cent. of lottery funds will be made available to youth sports.

As other hon. Members have said, the survey also highlighted the decline in the number of children receiving physical education each week in our schools. However, it is worth pointing out that the proportion spending more time on average in PE lessons has more than trebled: in 1994, 5 per cent. of pupils received between 30 and 59 minutes of PE a week, and that figure has now risen to 18 per cent. The story is not all doom and gloom. Falls in the amount of time spent in PE lessons were particularly pronounced in primary schools, which is of concern.

In a written answer on 9 March, the Under-Secretary of State for Education and Employment, my hon. Friend the Member for Redditch (Jacqui Smith) stated:

> Ofsted's 1999 review of primary schools in England found that overall progress in PE is satisfactory or better in 97 per cent. of schools...We have set an aspiration that all schools should provide two hours of curricular or extra-curricular activities a week. [*Official Report*, 9 March 2000; Vol. 345, c. 792W.]

That is welcome, but we need to keep the matter under close review to see whether we are succeeding in increasing PE provision for children at primary school.

I would prefer the compulsory option, but the Government were right to focus on driving up levels of literacy and numeracy, to which the previous Government paid insufficient attention. I notice that Sport England give a kite mark to schools that have good access to sport. Perhaps Ofsted or Sport England should start to indicate those primary schools that do not give proper access to sport. Sport England has also highlighted the urgency of addressing the issues. It says that despite the attractions and advantages of PE and school sport, there is increasing evidence that many young people have worryingly low levels of fitness.

We need to get the amount of time spent on PE right. It is also crucial to get the PE training for teachers right. As little as six hours training and professional development is on occasion devoted to physical education in initial teacher training and a substantial increase is needed. I should also like to suggest bursaries for those undertaking PE teacher training courses so that we can encourage the best applicants for PE education. We should do more to celebrate the successful, hard working and enthusiastic PE staff on whom we rely.

I remember Bob Longman from my own days at Hatch End high school in my constituency. He drove us to complete the cross-country circuits that he had devised around our school, which left me with a great love of running. He is still imparting that enthusiasm to many other young people at Hatch End high school. Perhaps we could encourage that further through the teachers' Oscars that Lord Puttnam has successfully developed.

We have done excellent work to prevent the compulsory sale of playing fields. The idea of the audit for sporting facilities is enormously welcome. Harrow council's audit highlighted the south Harrow area in my constituency as defective in sports provision, particularly football. When money is allocated from Sport England or from central Government expenditure, we should focus not just on boroughs with high levels of deprivation, but on areas that have pockets of deprivation. In particular, Harrow's athletics facility needs to be upgraded. I hope that Harrow athletics club, which uses the Bannister playing fields in Hatch End, will shortly receive funding for modernisation.

I hope that pressure will be put on the Rugby Football Union and UK Athletics, through meetings with the Department for Culture, Media and Sport, to ensure that the 5 per cent. revenue from television resources is allocated soon—if it has not been already—to grass-roots sport. In my constituency, that might help Pinner and Grammarians rugby club and Old Gaytonians rugby club to raise their aspirations further.

The hub and spoke model for developing voluntary club structures is excellent. Harrow Borough football club, which I mentioned earlier, is enthusiastically developing a support scheme with Ruislip Rangers, so that teams for five to 17-year-olds, leading to the adult team, can be based at Harrow Borough. Lottery sports funding for an artificial turf pitch would be particularly useful on that site, and would further that aim.

I throw out to my hon. Friend the Minister the suggestion that, in addition to an audit of sports facilities, there must also be an audit of the number of grass-roots coaching staff. Increased resources could be allocated to fund trained professionals to coach young people.

I want to highlight the problem facing canoeists in Britain. About 11,000 miles of upland river and tranquil lowland river would be navigable if access agreements were in place. Sadly, canoeists have agreements for just 2.8 per cent. of those rivers, so the challenge of canoeing on upland rivers, which are often fast and exciting, and can offer rough white-water conditions, is frequently denied.

There has not been a great deal of politics in the debate, but it was a shame that the hon. Member for Ryedale (Mr. Greenway) ducked his party's record on sport expenditure, which dropped in real terms in the last four budgets of the Tory Government. It was 3.2 per cent. in 1994-95, 1 per cent. in 1995-96, 6.7 per cent. in 1996-97 and 6.5 per cent. in 1997-98.

We should examine the tax relief and charitable status of voluntary clubs and whether there is anything else that we can do. I am an enthusiastic supporter of the idea that we should bring the Olympics to London, not only because of the passion that it would generate and the stimulus that it would give the country, but because of the economic impact that it would have on London.

The document that the Minister has produced is an excellent and welcome step, and I commend my additional points to her.

5.3 pm

Mr. Andrew Reed (Loughborough): It is a particular pleasure to participate in a sports debate, because although it can be noisy and rowdy, sport usually unites us across the Chamber. It is a bit of a shame that the debate has been held this afternoon, because I know that some hon. Members who regularly attend sports debates could not be here. I hope that we will have another opportunity to discuss the subject in the main Chamber.

I will declare an interest as an illustration—I do not want to bore everyone with localities. I am a member and a player at Birstall rugby football club, where I played on Sunday, and still play most weekends. Much of today's discussion has been about the links between schools and local clubs. With all due respect to Birstall rugby club, we are in the lowest of the lowest rugby leagues. I am also a member at Leicester Tigers, which will hopefully win the national league in the next two weekends. When we talk about a sport—in this case rugby—I understand the broad differences at its different levels. I pay £6 a week to play for my rugby club. I do not want to get out of paying that, but it just manages to cover the cost of our shirts and their washing throughout the season. Any money that filters down to a local club such as ours is important, because the link between the school and the club has broken down over the past 15 years.

My hon. Friend the Member for Feltham and Heston (Mr. Keen) mentioned veterans. At 35, and with all due respect to those of that age, I have suddenly realised that I am eligible for veterans' rugby. Unfortunately, I am one of the younger players in the club, as there has been a 15-year break in rugby at the local school, so no youngsters are coming through. There is a danger that clubs like ours will fold. We are now down to one or two teams every Saturday, and the future looks bleak. There have been many amalgamations between local clubs because of a lack of players coming through.

The level of participation is crucial to developing a sporting future for all. The Lawn Tennis Association gave a clear example of that in a presentation three or four weeks ago, showing that 160,000 youngsters play competitive tennis on an average Saturday morning in France, but about 20,000 do so in the United Kingdom. Among the top 30 tennis players, the French have six or seven; we have two. It does not take a genius to work out

[Mr. Andrew Reed]

that the two countries have similar populations. On a pro rata basis, we should surely have the same level of achievement as our French counterparts. The link with the participation levels at under-14 years and under-15 years is clear. We simply do not have enough young participants.

After a few years of playing rugby on a Saturday afternoon, I admit that, like my hon. Friend the Member for Feltham and Heston, it has been a revelation to me to enter the House and find that I can take part in football, hockey, tennis, swimming and a variety of other sports. Some of us, including some hon. Members present, are members of the gymnasium. I apologise if the group of rather sporting Members of Parliament before you, Madam Deputy Speaker, is not representative of them all. I was pleasantly surprised at the level of sporting participation in the House, and at some of the past and present standards of one or two hon. Members.

We held a parliamentary rugby world cup in October, with New Zealand, South Africa, Japan, France, Ireland and ourselves participating. The visit of the new Japanese Prime Minister yesterday reminded us of how important that was. He was a try scorer in one of the Japanese team's games. He was not injured, unlike their Chief Whip in our game against them. I have great visions of him being carried off to the ambulance on a stretcher, mobile phone attached to his ear, dictating his press release. I am glad to say that he did not suffer too badly.

That tournament is an example of the links that can be made. We have played rugby regularly with the New Zealand Sports Minister. When it comes to sport, friendships cross the world. The tone of today's debate is indicative of the fact that the friendships from parliamentary sports teams are replicated by the way in which team mates work and interact in the House.

Loughborough is a prime example of how a sports strategy can be implemented. The university is famous for its sporting excellence, not only in the United Kingdom, but worldwide. I am delighted that it has been chosen as one of the hubs for the United Kingdom Sports Institute. I hope that the swimming pool, one of the star attractions of the £28 million-worth of work that will be done over the next two years, is started as quickly as possible. Also, a sports college will be located next to the university.

Loughborough is also home to the Youth Sport Trust, which, through the BT Tops programme, provides kits for primary schools and ensures that primary school teachers can teach basic team sports and games. Although participation has declined, I dread to think what it would have been without the Youth Sport Trust and the £7 million from Sport England, as well as money from organisations such as BT.

I shall briefly run through the points that hon. Members have made. Overall, the Government's strategy must be welcomed. It is not the usual glossy White Paper, with 50 or 60 words on the front, a bit in the background and a few pictures. I welcome the fact that it is a fairly wordy document, because it addresses the needs of the sports community rather than sports headline writers. It talks to people who participate in sport, run sport and know what it is all about. I pay tribute to Sue Campbell of the Youth Sport Trust, who used her wide experience and expertise, gained through her direct participation at all levels of sport, to ensure that the document speaks to the sports community. The Government's strategy is excellent because it brings all those strands together.

We need to ensure greater participation in primary schools. Teacher training is an element of that, but there has also to be a link at secondary school level between schools and local clubs. School sports co-ordinators must work closely with existing resources—most counties have a rugby development officer, a tennis development officer and so on—so that activities are better co-ordinated, using the local clubs base to bring on the most talented youngsters and give them greater access to participation. Various parts of the country experience difficulties in that regard. I have a semi-rural constituency and agree with the hon. Member for South-East Cornwall (Mr. Breed) on the problems faced by rural areas, such as small primary schools. I know one school that does not have enough pupils in a class year to put together an 11-a-side football team. If every boy in a class year wanted to play, and even if girls participated, they would have a team of only nine players. The school has successfully encouraged cross-country running and pupils run regularly on Saturday mornings, but team sports are seriously lacking. Add to that the transport problems experienced in the countryside and such schools are excluded from participating in sport.

We need to co-ordinate existing facilities. The Minister is right that there are many examples of best practice and good practice. If I visit the campus of Loughbourough university on any Friday afternoon, I can bump into a couple of hundred world athletes of various kinds. I did not realise that for three weeks there had been a new world champion life-saver and that he is British—the assumption is that we do not have world champions in this country—and based at Loughborough university. I did not know that there were life-saving world championships until that individual came back with the gold medal. We are doing well in many areas and we need to ensure that we replicate the best practice across the country.

The fact that there is a great deal of money in sport holds it back. The arts lobby and others have done well in coming to the Government for money and get most of their sponsorship money from that source, but people assume that sport, particularly football, has money. Those of us who participate in games—at a very different level—recognise that although a great deal of money goes into football, it filters quickly into the pay packets of the top premiership players. Football generally does not have a lot of money; that is a different concept. We need to ensure two things. First, at least 5 per cent. of that revenue should go to the grass roots, although I hope that we shall push for a higher percentage. Secondly, losing the television rights to non-terrestrial television poses a danger for the long-term health of some of the sports that we are discussing.

I declare an interest in rugby. I do not have Sky television, so I am unable to watch England matches played at home. The audience figures are worrying, because the vast majority of people are not able to watch England playing at Twickenham. If we are trying to

increase participation levels, youngsters need to be given the get up and go to participate by seeing their sporting heroes play. As everyone knows, it is almost impossible to get a tennis court when Wimbledon is on—one can get a tennis court in the local park during the rest of the year, but for those two weeks, when tennis can be seen on television, youngsters go out and participate. I would like the vast majority of sport to be available on terrestrial television so that we can encourage more youngsters to participate and see their heroes participating at every level—and seeing an England or UK team doing extremely well, because that encourages people to play.

Facilities are important and I am pleased that progress has been made on the sale of playing fields, which is a complex issue. In my village, Quorn, Canes Field is a classic example—a cricket field that is held by a charitable trust. The trust wishes to offer it to developers, who are offering a much bigger and nicer area just outside the village on which they will build a pavilion. To the trustees, that seems an attractive option. Unfortunately, it would remove a green space from the centre of the village and replace it with one outside the village, which is difficult to access. As a result, parents will have to use a car to take their children to kick a football around or play in the outfield, whereas at the moment, on any evening, especially when the weather is good, one can see children playing in a local and accessible field, which parents regard as safe. Although it is an attractive option on paper, I have fought against it, and have been supported by Sport England, local authorities and the local community. It is symptomatic of the difficult decisions that have to be made, although it falls outside the scope of the current regulations because it is not technically a school playing field, even though the trust is part of the school.

Coming from a very small local club, I know that tax concessions, rate relief and so on would make an enormous difference to the viability of such clubs, which are the lifeblood of future England teams, at whatever level and in whatever sport. Unless people are participating, and facilities are available locally, it will be a struggle to achieve the aims of this fine document. A little money or a small concession, such as rate relief, which would avoid difficulties between different local authorities, or at least make clear what would be incurred in a particular part of the country, would make an enormous difference. Lots of other things could be done, such as the elite performance programme, but I do not want to concentrate on those today. The focus of the document is entirely right—it should concentrate on increasing participation. We have the necessary expertise at Loughborough, Bath and Sheffield, but it can bear fruit only if we have enough people whose talent can be developed. If we have an ever-decreasing pool of talent in different sports, we will not win the number of medals that we once did. Competition is getting harder, because every other country is catching up.

I welcome the document, which is a comprehensive statement of what needs to be done. I wish that there were a couple of extra noughts on the figure of £75 million for the development of primary school facilities, but it is a good document that sets out a strategy for the future. If it can be delivered, it will leave a lasting legacy in this country, and a better future for our sport.

Madam Deputy Speaker: The Minister has permission to speak again.

5.17 pm

Kate Hoey: Thank you, Madam Deputy Speaker. I shall be as brief as possible. I hope that you have enjoyed the debate, which has been a great advertising campaign for various sports. It has been a most interesting way to spend the afternoon of election day. I welcome the contributions of all hon. Members. Of course the hon. Member for Ryedale (Mr. Greenway) must argue, from an Opposition point of view, that the Government are not going far enough or not doing things in the right way. However, he and the hon. Member for Colchester (Mr. Russell), who speaks on behalf of the Liberal Democrats, accept that the Government's strategy is broadly right. That is important, and I welcome their praise for the document.

Hon. Members have made useful contributions to the debate. In my long speech, I did not and could not mention everything. I welcome the comments that have been made about amateur sports clubs, tax exemptions and rate relief, which need to be addressed. The hon. Member for Ryedale accepted that the previous Government found it difficult to move on that issue, too. The problem unites sport, and Lord Phillips has recently worked closely with the Central Council of Physical Recreation and other organisations to discover a way to make progress on it. I am keen to listen to what people are saying and find a way of taking the issue forward, because the role of amateur sports clubs is crucial. There are so many things that would not cost huge amounts of money but would make a real difference to those small clubs.

I congratulate my hon. Friend the Member for Dartford (Dr. Stoate) both on his marathon run and on the way in which he brought his medical expertise to the debate. He talked about the importance of a healthy life style, picking up on what other hon. Members said about the way in which young people's life styles are changing. We cannot dictate to young people on that issue or change them overnight, but we should be aware of the fact that they have so many more choices than we had.

I am aware of the problems suffered by rural areas that were mentioned by the hon. Member for South-East Cornwall (Mr. Breed). When we talk about deprivation, there is a tendency to assume that we are referring to the inner-city areas. Rural deprivation is different. My hon. Friend the Member for Loughborough (Mr. Reed) mentioned the problems that pupils in small primary schools have in forming teams, but rural areas have other problems. The whole question of funding going to schools with the community use proviso is made more difficult if people have to travel a long way to take advantage of that community use, so we need to be flexible on that.

We will never completely take the risk out of sport and we would not want to, but the hon. Member for South-East Cornwall is right to refer to the problems raised by the growing litigation. That is a cost factor in sport that did not exist a few years ago.

[Kate Hoey]

My hon. Friend the Member for Harrow, West (Mr. Thomas) reminded us of the economic benefits of sport and the benefits of private sector involvement. Sport does not merely provide a recreational purpose—it provides jobs, too. He also mentioned canoeists, who are not mentioned in the Countryside and Rights of Way Bill, and from whom I have received a number of letters on that score. Canoeing is not the only issue in that category; there are several other instances of sport in conflict with the use of land and water. For example, anglers have strong views about canoeists. People who go water-skiing and do motor sports on Lake Windermere have recently been outraged by the decision from the Department of the Environment, Transport and the Regions that the lake should not be used for those sports. Clearly, those dilemmas will always exist and the Government are not always best placed to sort them out. The sports world itself must sometimes take those difficult decisions.

My hon. Friend the Member for Feltham and Heston (Mr. Keen) made a thoughtful speech in which he reminded us, in his own personal way, of how much sport can mean to young people and the difference it makes to their lives. He also talked about his great interest in sport for veterans. I was pleased to be at the veterans' championships, where there were some amazing performances. I found it an inspiration to see how those people had kept up their interest in sport.

I give the members of the all-party parliamentary football club my best wishes for their game at the Stadium of Light on Monday. They are lucky that the game is not on Tuesday, because they would not have been allowed to go.

Before I go on to the points made by the hon. Member for Ryedale, I will deal with the comments of the hon. Member for Colchester. I thank him for his support. Many of his comments show why we need the strategy. We need to bring people together. I broadly agree with everything that he said about the need for curriculum time to be guaranteed. However, the school day is increasingly no longer 9 to 3 or 3.30. What happens after school is—or should be, if the school is part of the community—part of the school day in the wider sense.

I discussed performance pay with the Office for Standards in Education and the Department for Education and Employment. Physical education teachers must be entitled to performance pay, because they do so much extra in addition to what is required. I shall not discuss whether I advocate a dedicated sports ministry, although I am often asked. An awful lot can be achieved under existing arrangements, and there is no point in spending months and years implementing different changes. Responsibility for sport has moved a great deal among Departments over the years, and we now need to deal with it.

Minority sports are crucial. It is a matter of debate whether to give a little money to all sports, to give more money to a few sports that are likely to win medals, or merely to allow the best people in the country to represent their country abroad, even if they will not win. Sport itself, along with the United Kingdom Sports Institute, must help decide the priorities in the debate about world-class performers. I shall re-examine the case of Robin Knight; I recall the question, but cannot remember my answer. However, I am sure that the hon. Member for Colchester has a copy of it.

The hon. Member for Ryedale made a huge number of points, and mentioned amateur sports clubs. I am pleased that we have his support and look forward to receiving the report from York. I shall not discuss Wembley, on which we have spent a great deal of time over the past six months. I do not believe that the hon. Member for Ryedale would expect the Secretary of State or me to be involved in the planning decision between the developer of Wembley national stadium and Brent council. We await the outcome of those discussions, which have been continuing for some time.

National lottery funding and the new opportunities fund are not being used for purposes for which lottery money should not be used. The new opportunities fund will be used to cover the extra expenses of, for example, sports equipment, coaching sessions and sports days, which would not be incurred without school sports co-ordinators. I do not believe that the hon. Member for Ryedale is suggesting that we pull the plug on healthy living centres and after-school work. I am keen for sport to receive its share of available resources by arguing its case.

The hon. Member for Ryedale mentioned Pickett's Lock. Much work remains to be done and I welcome his support. I shall keep him as well informed as possible. We shall keep a close watch on the matter. I am determined that it should not be subject to the procedural wrangling to which Wembley has been subject. I shall write to him with the details. The issue of the £75 million and the 20 per cent. threshold is complicated. Part of the role of the implementation group will be to raise such questions and ask for answers. The amount of money in the pot is limited and we must make it go as far as possible. I shall ensure that I write to hon. Members with the answers to any other questions that I have not formally answered.

I assure all hon. Members that no one was more delighted than me with the launch of the sports strategy. It was not put together overnight. It involved many people and much cross-departmental work, and sometimes felt like having a tooth pulled. However, now that it has been launched, the hard work to implement it begins. I look forward to working with all hon. Members present from all parties to implement the strategy and to give this country a sporting future of which we can all be proud.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Five o'clock.

Westminster Hall

Tuesday 9 May 2000

[SIR ALAN HASELHURST *in the Chair*]

Law and Order

Motion made, and Question proposed, That the sitting be now adjourned.—[*Mr. Robert Ainsworth.*]

10 am

Mrs. Gillian Shephard (South-West Norfolk): I am very grateful to have secured this debate on a matter greatly exercising the minds of rural communities. The House—indeed, the whole country—knows that the issues raised by Mr. Tony Martin's trial have touched a nerve in the nation's consciousness. During the nine months since the incident, I have not commented on the crime, the trial or the outcome of the trial. Mr. Martin is to appeal, so the matter is again sub judice, and I do not intend to break my self-imposed embargo.

Although I am concerned about the impact of the episode on the people of South-West Norfolk, especially those who live closest to Mr. Martin's property in the village of Emneth, I am even more concerned about what the incident has revealed about the state of policing in rural areas and people's attitudes to the police's ability to protect them and their property.

We should not forget that rural communities are collections not only of individuals, but of businesses, including agriculture. In its journal this month, the National Farmers Union makes its concerns clear. The latest NFU Mutual figures show that rural theft costs the farming industry more than £93 million a year, and the journal states:

> The Government must act now to deliver adequate policing and security for people living and working in the countryside.

I feel sure that the Minister will have seen that journal, as it is in front of him.

The NFU's president, Mr. Ben Gill, comments:

> There is a growing feeling of helplessness in rural communities—stemming from the inability of the legal system to deliver successful prosecutions.

In a letter dated 2 May to my hon. Friend the Member for Uxbridge (Mr. Randall), the Country Landowners Association draws attention to the report, "The State of the Countryside 2000", published on 26 April by the Countryside Agency. That report says that some crime, such as vehicle crime, has been rising faster in rural areas than in urban areas. The letter says:

> The countryside may still be a safer place to live, on the law of probabilities, but the Tony Martin case, supported by others, demonstrates that if the police are not in a position to respond fast to calls, or to give people the protection they need, then in an isolated rural situation the mere existence of a police force ceases to give people the confidence they need in the battle against crime.
>
> Furthermore, the increased mobility of criminals between rural areas, and from urban to rural areas, means that traditional levels of policing in rural areas are no longer sufficient to tackle criminals who can be sixty miles away before a burglary call is investigated.

The Minister will know, because I have raised the matter several times in the House and in correspondence with him, that I urge him to act on the recommendations of the report on policing in rural areas that his Department commissioned a year ago. He or his colleagues will have discussed with the chairmen of the 11 most rural police authorities the findings of that report, which would give Norfolk an additional £2.4 million for extra police on the beat.

In a letter to me dated 28 April, the chairman of the Norfolk police authority, Mr. Jim Wilson—recently appointed—makes his point with some force. He says:

> It should be remembered that Norfolk, despite being a growth county, territorially one of the largest, and an area which attracts thousands of holidaymakers every year, is at the bottom of the pile as far as police-to-population ratios are concerned. Norfolk bid for 90 further officers in the recent Home Office 'challenge funding' but we were only allocated 66 over a three-year period, now possibly reduced to two years. Since 1997 total officer strength has fallen by 50.

Mr. Wilson also describes the further pressures on Norfolk's existing police budget. He points out that the authority is expected to sign up, apparently, for a period of 19 years to the new national communications service for the police, which seems odd in a field as rapidly changing as communications technology. The Minister may like to comment on that, if he can, although it could be a misunderstanding on Mr. Wilson's part. That will cost the force £3 million in capital and up to £630,000 a year in revenue. He adds:

> We in Norfolk are uncertain at this stage that we can afford the necessary menu options; if we cannot it will impact on our ability to deliver an enhanced front-line service.

When we had the opportunity to debate some of those issues last week in the excellent Adjournment debate on police numbers that was initiated by my hon. Friend the Member for Uxbridge, I said that modernisation and up-to-date technology were clearly essential to combat equally up-to-date criminal activity. However, that should not be at the expense of other priorities and, at the very least, should not render front-line policing less effective, as Mr. Wilson implies would be the effect of the current strategy.

Mr. Wilson goes on to point out that the increased bureaucracy and paperwork imposed on the police by best value legislation and the requirement over the past two years to implement annual 2 per cent. efficiency plans across all forces—irrespective of their capability to make such annual savings—will be time-consuming and expensive. He uses a worrying phrase in that he describes that activity as:

> another diversion from what the public would recognise as the real purpose of policing.

Those are the words of the chairman of the Norfolk police authority. I hope that the Minister can comment on that point, which comes from the coal face. Clearly, he would agree that any diversion from the real purpose of policing should be avoided.

I also hope that the Minister can expand on his interesting comment in last week's Adjournment debate that he is seriously considering the problems posed by the funding of pension payments. Of course, I realise that that is not a new problem, but one that has grown over the years. However, such payments currently absorb 15 per cent. of the revenue budget of the Norfolk police authority, according to its chairman.

Police morale is affected by those factors and by the criticism that the police feel that they have suffered as a result of a number of high-profile cases, including that

[Mrs. Gillian Shephard]

of Tony Martin. In Norfolk, the police have achieved two extremely high-profile successes in terms of an arrest and charge in one high-profile murder case and a conviction in another case. In the many hundreds of letters that I have received about the Martin case and the issues that it raises, the legal system is criticised at least as much as the police. The Minister will be aware of that.

However, there are police operational matters uncovered by the case and frequently spoken of, for which the Minister is not responsible, but of which he needs to be aware. I think that such matters exasperate local police on the beat as much as they do the public. Many of those matters were raised last week at a meeting of the Swaffham chamber of trade in my constituency, attended by a police inspector, a sergeant and a constable. The Minister might like to note that the chamber presented the constable with a mobile phone, so that he could be contacted at all times. The Minister will doubtless say that that is a good example of community police partnership. [*Laughter.*] So it is, but he will also accept that it shows that the chamber of trade feels that it is sometimes difficult to get anyone on the beat. I certainly do not decry the generosity of the chamber of trade, which was well meant, or its relationship with the local police, but I should like the Minister to reflect for a moment on where we now are.

It was pointed out at that meeting that, in the past two and half years, 50 per cent. of the constables, an inspector and two sergeants had been lost because of reduced funds. Poor-quality police cars with high mileages on the clock did not help. Response times to calls for help, the routeing of 999 calls to a central point in Norwich where the staff did not know the location of villages across the county and computer problems were raised at the meeting by local business people who were anxious about what they see as escalating security risks for them and their businesses. Those are clearly not simply matters of resources, although some of them are resource related. That is the view not only of the public, but of the police.

Mr. David Prior (North Norfolk): My right hon. Friend will know the market town of North Walsham in my constituency. I believe that she was born there, or at least went to school there. I met a great number of people in North Walsham last week who told me that they were frightened to go out at night. That would also be true of towns like Swaffham in her constituency and Fakenham in mine. There is a feeling that there are simply not enough policemen visible on the beat to protect people. It is the fear of crime, rather than levels of crime, that is important in rural areas.

Mrs. Shephard: There is no simple correlation between the number of police on the beat and the reduction of crime: I know that the Minister will tell us that at the end of the debate, because I have heard him say it many times. But there is a clear correlation between people's attitude as to whether they are at risk and the number of policemen that they see. Indeed, it is connected to my next point, which has been my constant theme during the past nine months while the Tony Martin case has dominated the headlines. If people feel that the police lack the resources to protect them and their property—my earlier remarks illustrate the fact that the police share that view—they will be tempted to take the law into their own hands. The consequences of that have been all too tragically demonstrated by the outcome of the Martin case.

Mr. Lovell of Tipps End in my constituency puts the matter succinctly in his letter to me of 24 April. He says:

> Rather than make householders more fearful about tackling burglars, the case has hardened many people's views. I have heard it for myself. This is a very worrying trend, and unless something radical is done, the situation, I fear, will get worse. There is now talk of vigilante groups armed with illegal weapons and a total feeling of disgust and frustration directed towards the police and legal system. Those of us who believe in the rule of law are very concerned about the mood of the community.

A letter from a farmer states:

> In the rural areas the police presence is now non-existent. The criminals know this. We regularly suffer minor thefts and the police are too over-stretched and lacking in manpower to investigate them satisfactorily. When they are called to the scene of a crime they take, on average, 25 minutes to arrive, their excuse being that, even with grid references and postcode etc., they are still not able to locate us. Is it surprising that some are beginning to take the law into their own hands?

I have received letters on this subject from all over the country. Mr. Derek Bromwich from Greenford in Middlesex takes the point further. He asks:

> Why have police numbers fallen so dramatically over recent years? Has it more to do with political correctness and disillusionment with the criminal justice system...? Will you politicians—

the Minister will enjoy this—

> who live in relative luxury with high security and personal bodyguards just get real and deal with this problem. Otherwise we have no option but to take the law into our own hands. We are just not safe either in the city or the country and don't insult our intelligence by quoting bogus, inaccurate and manipulated crime statistics to pretend crime is going down. We live in the real world and we are not all stupid.

The Minister is bound to be aware of the current strength of feeling about law and order in this country. He occupies a hot seat, which would not be made more comfortable by reading the survey in the previous issue of the *Fenland Citizen*. Its readership was asked to telephone in with answers to questions about the Tony Martin case, one of which was, "Do you feel safe in your own home?" A staggering 91 per cent. of the more than 1,000 people who rang in replied that they did not.

The police are aware of these attitudes, which does not make their job any easier, especially when they feel under-resourced. All hon. Members will have heard from their constituents anecdotal evidence of the police arriving hours after an incident or, even worse, not arriving at all. At the Swaffham chamber of trade meeting in my constituency last week, a shopkeeper in the town, Mrs. Carol Baker, described arriving at her shop at 7.30 in the morning to find that it had been burgled. She reported the crime to the Norfolk police central switchboard at 7.45, was told that no one could attend the crime and was given a crime number for her insurance claim. It was 36 hours before any police officer attended; and five whole days later, the local police had still not been informed about her problem because it had been communicated to a computer. The exasperation of the local police can only be imagined: they would have been as infuriated as she was. Her confidence in the ability of the police to help her took a severe bruising.

People have written from all over Britain. Many of them took the trouble to say that they were not members of my political party. Much of what they said was about Tony Martin's trial, the verdict and the sentence; but many also commented on how they felt about the current performance of the police. The most important issue raised by the case is that people feel that police numbers are so thinly stretched that they cannot protect individuals' property.

Since the Government came to power, police numbers have fallen by 2,300. The number of civilian staff has remained the same and the number of specials has fallen by 3,500. Worse, the Norfolk police authority chairman has made it clear that the new communications system will demand extra money and the Government's own requirements for police bureaucracy are eating further into police time—a

> diversion from what the public would recognise as the real purpose of policing.

as Mr. Wilson put it. The consequent inability of the police to respond as they would wish to calls for help from the public is beginning to diminish public respect for them, through no fault of their own. Their own morale is suffering.

The solution is at least partly in the Government's hands. Some problems are not new, but others—the reduction in police numbers, the increase in bureaucracy and paperwork and the lack of interest in rural communities—are of the Government's own making. Rural people and their problems matter too. They deserve some priority of treatment. I cannot believe that the Minister will stand by and watch respect for the law crumble, partly as a result of reduced resources.

The Minister has taken the trouble to listen to concerns, many of which have been voiced in his own predominantly rural county. He has promised to examine the issues carefully in the run up to the publication of the rural White Paper and the comprehensive spending review that is being prepared for later in the summer. I ask him to persuade his colleagues in the Government to reconsider the Government's spending and attention priorities, to reflect on what is happening in rural communities and to understand that the issue is much more than simply a matter of resources—it is about respect for the law and taking action before it is too late.

10.19 am

Mr. David Drew (Stroud): I am delighted to be able to take part in the debate. Because of Select Committee duties I was unable to attend last week's debate on police numbers, but I am sure that some of the issues that the right hon. Member for South-West Norfolk (Mrs. Shephard) mentioned were highlighted. I have, however, spoken in both the debates on police grants that have been held in recent years, so I hope that I have shown an interest. My hon. Friend the Minister will also know about the meetings that we have had.

It is important to put the record straight. I hold the right hon. Member for South-West Norfolk in high esteem—we worked together on the Select Committee on Modernisation of the House of Commons and still bear the scars—but I was disappointed when she said that the Labour party did not care about rural areas. Labour Members do not pretend to have a new feel for rural issues but have worked relentlessly over many years to highlight them. Such issues have not appeared on the political antennae only recently, but date back decades.

I do not want to trade newspaper cuttings with the right hon. Lady, but the headline story in my local weekly newspaper last week said that the village bobby and station were about to be axed and taken away from the good denizens of Minchinhampton, which is a fairly large village in the Cotswolds, in my constituency. The newspaper announced that the police constable, Jim Gregory, whom I know well and who has been an excellent bobby over the years, is about to be moved to rural protection duties. I hope that that will be a good way for him to see out his later years in the police force but the change leaves the authority with a dilemma over his replacement. Jim lives in the police house in Minchinhampton and operates the police station next door, and I should make it clear that I do not want to push him out of his house, because he wants to see out his years there. However, Cheryl Thomas, the inspector for the area in which I live, has said that the police authority will not seek a replacement for Jim, and I want to tease out that dilemma.

We must replace the Jim Gregorys of this world, but we cannot do so by putting officers into the various communities, because there are other pressures and policing has moved on. That dilemma, which I have faced several times, relates to the visibility and accessibility of the police. Those issues are important in rural areas; if people do not see their police, they lose confidence and feel that they are unpoliced. At the same time, that approach to policing is not, in the main, the way to catch criminals. The dilemma that we face is how to balance visibility and accessibility with the effectiveness of the police force.

I am carrying on a funny sort of dialogue, because I have not talked to my police authority and the police about how they reached their decision. However, by pure chance, a police consultative committee meeting is taking place in Minchinhampton tomorrow night, and I imagine that it will be well attended. Inspector Cheryl Thomas announced the news about Jim Gregory at a parish council meeting last week.

I would like assurances from the police that they will give the area a named officer, as they have done elsewhere. Whitminster, which is also in my constituency, lost its police station 18 months ago, and WPC Debbie Lord was allocated as its named officer. That seems to have worked reasonably well. It is important for someone, in co-operation with other agencies, to have responsibility for an area, even if, as with Jim Gregory, his operational duties occasionally pull him away from the community. That has long been the case, but it is more the case now. It is important to have a mobile police force, which can do what we need it to do.

Just before Christmas, I was part of a delegation to my hon. Friend the Minister, which included the chief constable for Gloucestershire, Tony Butler; the chairman of the police authority, Brigadier Michael Browne; and the chief officer of the county council, Richard Cockcroft. The hon. Member for Cheltenham (Mr. Jones) was also a member of the delegation. Members of the public who say that Members of Parliament have a well-protected, easy life should

[Mr. David Drew]

remember what some people go through. Understandably, people sometimes have short memories, but they should be reminded of the tragic events in Cheltenham, which bring home to us the risks taken by anyone in the public service.

The key points raised by the delegation may have had some impact, as the Minister has spoken about those matters on more than one occasion, and we are gratified by what he said. We made an early bid for what are known colloquially as Jack Straw bobbies. I would not say that Gloucestershire got its fair share, as we never get—well, never argue that we get—a completely fair share, but police numbers have been increased, which is most welcome. We bid to ensure that when those officers have been trained there will be a rural dimension to their allocation. We stressed the importance of the sparsity factor as a way of considering how the correct formula is decided, and emphasised that the distribution of police numbers should take account of the mobile criminal fraternity.

My county faces the problem of criminals coming from Bristol and Birmingham, and that has begun to hit rural areas. Constituents and members of the public sometimes allege that the number of offences is up when in reality it is not, unless someone is doing something strange. There are always arguments about how the figures are counted and how crime is recorded, but whenever I ask the police, there is a decline in the number of crimes. However, it needs only one event such as the Tony Martin case to bring home to all of us—

Mr. Oliver Heald (North-East Hertfordshire): I thought that the hon. Gentleman was talking about Gloucestershire. Crimes there rose by 1,932 last year—an increase of 4 per cent.

Mr. Drew: As I was saying before the hon. Gentleman intervened, it is a lot to do with how crimes are recorded. In Gloucestershire, we are trying to record crime properly and get to the root of what is happening. I shall not bandy statistics with the hon. Gentleman, but in many areas, especially rural areas, there has been a decline—although not significant—in the number of crimes. However, even if we play the statistics game, we ignore crime at our peril because what is important is how it is perceived. I entirely agree with the right hon. Member for South-West Norfolk that how one perceives what is happening is very significant. I raised the matter in a previous debate on the police.

A Women's Institute survey highlighted the degree to which people fear crime and genuinely see it as the most important issue in determining their quality of life. I will not argue about statistics with the hon. Member for North-East Hertfordshire; crime is declining, but although the recording of crime may have improved, there is much more to do.

Dr. Ian Gibson (Norwich, North): It is rather novel for me to think about matters relating to crime, in spite of the fact that my home was burgled twice in the past six months. Although a House of Commons champagne bottle was taken, and found in the back of a car during a machete fight, the police were unable to nail the two culprits. I wonder about people's perception. What is it that people perceive when they are being burgled, mugged or raped? What sort of perception do the people have whom my hon. Friend spoke about? What are they most frightened of?

Mr. Drew: I shall try to answer my hon. Friend. They are fearful of what appears in the headlines, but their overwhelming fear is that it will happen to them. That is now just as likely to happen in rural areas as in urban centres. Like my hon. Friend, we can all cite such experiences. My office has been broken into twice recently—I suspect by the same person. The first time, he took £5. The second time, he took £2. That tells us something about Labour party offices, which seem to get poorer rather than richer. I am not sure when we can expect matters to improve.

Rural areas suffer not only from the activities of mobile criminals. In rural areas—my constituency is typical of a rural area, with market towns with a rural hinterland—members of a hard core of local criminals seem to commit the same crimes time after time. The police are frustrated because the crimes of many of those who are regularly arrested are drugs related. We need a police presence on the streets because it would give people confidence and make the criminals think twice about the daft things that they often do.

Mr. Prior: I am sorry to hear that the hon. Member for North Norfolk—

Dr. Gibson: You represent North Norfolk.

Mr. Prior: I am sorry to hear that the hon. Member for Norwich, North (Dr. Gibson) had a bottle of champagne stolen. He certainly would not have wanted to drink it last Thursday night.

Does the hon. Member for Stroud (Mr. Drew) believe that it is the fact that repeat offenders continuously receive short custodial sentences that so undermines the morale of the police force?

Mr. Drew: Yes, I do. One of the Labour party's key manifesto commitments was to speed up the course of justice. That can be done in two ways. First, we must convict criminals and, when appropriate, commit them to prison. Secondly, we must have an overall approach to dealing with crime. Everyone from the chief constable and the police to the various agencies concerned welcomed the youth justice reforms that we introduced, but the improvements will not come about in a matter of months or years; they will take decades.

Until recently, many communities knew the hard-core group of local criminals; indeed, they were so notorious that they were often accused of things that they had not done. It is important to deal with them. I am not saying that the problem does not exist in urban areas, but in rural areas it is easier to pinpoint those people, because of the way in which communities still hold together, they know exactly what is going on. Until recently, my own community of Stonehouse had an amazing clear-up rate of more than 70 per cent. because certain people were always known about. Unfortunately, fractiousness there during the past five years has made that clear-up rate more difficult to achieve.

I wish to comment on what the Government have done so far and what should happen next. It is vital that the police have a presence on the streets, in which named officers are responsible for certain areas. Not only will they been seen doing their daily task, but they will be known from their visits to schools and community centres. That will build up people's confidence. We must also acknowledge that fighting crime is about being mobile. Mobility can be improved by ensuring that we have an effective police fleet and by making the other changes that we know to be necessary.

The right hon. Member for South-West Norfolk spoke about the chamber of trade in her constituency giving a mobile phone to a constable. Police in Gloucestershire might obtain better reception on mobile phones than they do on their radios. I go out with the police regularly and I have discussed these problems with them. I could be a good luck charm, as I have not seen the malaise that has been mentioned, although I know that it is real. Until recently, the police have had to keep changing their radio wavebands as they go from one side of the valley to the other and so on. These are acute problems and, although there have been arguments about the funding of the police radio project, it is crucial that it is completed as soon as possible, so that communications will be as rapid and effective as they can possibly be. I hope that the Minister will yet again reiterate that we are simply waiting for the money to be made available, and that the sparsity argument is won. We know about the associated problems, which are faced not only by farmers and other isolated rural businesses but by rural communities, especially in hamlets, where people feel very left out.

I should point out the importance of security funding—argument continues on this private matter—in these issues. If I did not throw this subject into the debate, my chief constable would say, "You made a good speech, but you failed yet again to mention that some of us feel a little bit miffed about the security issues, which have not been properly listened to in relation to the complete funding picture."

As the right hon. Member for South-West Norfolk rightly said, the police pensions issue is also highly significant. Among all the other constraints under which any public service will operate, the police pensions issue is the one that is especially important for police. We must grasp that nettle. I will not say that the current Government are more responsible for this matter than were the previous one, from whom all the problems came. They created a time bomb that was obviously going to explode at some point. We know that if we do not do something about it, it will eat into the police budget. I believe that pensions account for 17 per cent. of my authority's budget, and that that figure is expected to rise to more than 20 per cent. That is an enormous top slice off money that can be used for operational work, and we must do something about it.

In conclusion, I feel that the Government have got the message, which does not relate only to funding; it is also an operational message. We must revisit some of the ways in which we allocate our police. We must also ensure an understanding that the high-profile stuff does not relate merely to a synthetic vision of policing in the past. It is important to build people's confidence, which is as important as—although not more important than—the way in which we use all the different means that are available of fighting crime more effectively.

10.37 am

Dr. George Turner (North-West Norfolk): I start by congratulating the right hon. Member for South-West Norfolk (Mrs. Shephard) on the generally tempered and measured way in which she spoke about problems that, I suspect, have featured in my mailbag as much as in hers during the past several months. However, I hope that I may gently chide her, as I would like to have heard some words of apology for the fact that when she and her party had the opportunity to do more about the issues that she mentioned, they did nothing.

Mrs. Shephard: I am sure that the hon. Gentleman does not dispute the fact that police numbers have fallen under the current Government by 50 in Norfolk and by 2,300 in total.

Dr. Turner: I shall come to that point. I know that the right hon. Lady was not present last week, and I intend to briefly summarise, but not repeat, one or two points about that issue.

As a member of the Norfolk county council, which was responsible for the police budget for many years, and having been a member of the authority for a number of years, I know that we are discussing long-standing problems. I am pleased that they are being highlighted, as by emphasising them we can more quickly and firmly ensure that the Government address them. The problems of rural crime are not new and hon. Members who were in the previous Government should recognise that they provided the incoming Government with a poor heritage with respect to the resourcing of the police in Norfolk. I visited police stations throughout the county over the years and could have despaired about the resources—the lack of IT and good communications and, for most of those years, an argument about police numbers.

I suppose that it is the job of the right hon. Member for South-West Norfolk to criticise, but it is particularly inappropriate to say that the Government do not care about rural areas. It was because I represent one of the most rural seats in England that the Home Secretary went, on his first major expedition to East Anglia, not to Norwich but to King's Lynn. He told me that. He went there because he knew that I would be able to invite representatives from 60-plus parishes to meet him. As I reminded the House last week, he was chided by people with their bums firmly on seats in London about the pleasures of being in King's Lynn on a wet Friday night, when 600 people turned up to hear him and to give him their views on rural crime. The Minister, my hon. Friend the Member for Norwich, South (Mr. Clarke), came to the county earlier this year.

I know, from correspondence and discussion, that the Government do care about rural crime. However, I understand—and because I do I shall continue to press the Government about this matter—that there are many demands on resources. We shall have to continue, as the right hon. Member for South-West Norfolk did, to keep the issue before Government if we are to have a fair share of the resources. It is to the Government's credit that they commissioned a report to investigate the validity of rural areas' claims that they were under-resourced to an unfair degree. Almost every Member of Parliament says that the police in their constituency are

[Dr. Turner]

under-resourced, but it is claimed that rural areas are unfairly under-resourced because previous Governments did not take into account the problems of sparsity.

I spoke about those challenges last week and do not want to cover them again, but they are problems for those who must police a large area, particularly when, as in my constituency, most crime is committed in the smaller, urban part of it. There are hundreds of square miles to cover, but much police effort is tied up by the crime in a small area, and that makes policing difficult. There are vehicle problems and Norfolk has difficulties in keeping 46 stations—one of the highest numbers in the country—open to the public.

Dr. Gibson: Will my hon. Friend also accentuate the positive with respect to the Norfolk police force? Will he mention their work with DNA technology and the marvellous way that they have solved crimes with the use of modern technology in the past few years? They have grasped the nettle and are leading the way in many of the new technologies. We should sing about that.

Dr. Turner: My hon. Friend does me a favour by mentioning the next issue that I wanted to raise. The matter was brought home when, last week, the debate was summarised as being about police numbers. I regret that I gave that impression because one of the key points that I wanted to make in the debate was that one can overemphasise the import of a number. The fact that modern technology provides the police with tools to increase their effectiveness has led the Norfolk police authority to divert resources. Lower police numbers are due not to lower funding, but to the fact that the local police authority and the chief constable have been trying to achieve better results with the resources.

We must understand that just raising police numbers is not the right way to help the public. We have to ensure that the public understand this argument. The new crime detection methods—and IT, which relieves the burden of paperwork and bureaucracy and provides clues, not because computers are more intelligent, but simply because of their greater crunching power—both free police time. We could divert the money needed for those to pay to have people parading up and down the streets although that would have less effect. The police authority is to be congratulated on facing up to that problem.

The Opposition will not help the debate if they continue to take a blinkered view. I accept the statement by the right hon. Member for South-West Norfolk that she does not want extra police numbers at the expense of technology. In a non-ideal world, the police and the police authority must balance these demands. We should give them our support and not criticise them if they choose not to adopt the sole measure of increasing police numbers.

Fear of crime in recent months has probably been a more important issue than crime itself. This situation reminds me of my mother. If my mother, a marvellous hypochondriac in her time, were asked several times whether she had a particular symptom, she could almost imagine that she had. One cause of the fear of crime is the asking of questions about it. If people are repeatedly asked, "Are you frightened to leave your home tonight? Are you frightened when you go down that dark lane without any street lighting to get to the local pub? Are you frightened by what has happened in Norfolk recently?" the result will be a heightened fear of crime. We must assess the public's view and take it on board, but we must also be careful that we reassure people. Rural crime has always existed. There has always been, and still is, less of it than in urban areas. Whatever our individual experience of crime, most of us for the most part are under no threat from the crime that we really fear—violent crime. The fear of violent crime is the greatest fear at present in West Norfolk.

While trying to discover whether my views are based on facts, I have had the opportunity to discuss the issue with senior police officers and officers on the beat. Yesterday, in preparation for the debate, I met the newly appointed chief superintendent for the division covering west Norfolk, Mr. Mike McCormack. The leaders and deputy leaders of the King's Lynn and West Norfolk borough council also attended the meeting, which made it more useful. The borough council is one of the key partners in the new crime and disorder partnership—the Safer West Norfolk steering group—which is taking forward the Government's proposals for closer working. We discussed the report on the first year of the partnership, which was recently submitted to the Minister. The meeting was helpful, and I hope that a formal meeting on the issues later in the summer will receive good publicity because it will reassure the public.

The participants at the meeting reminded me that, in addition to the beat base in Terrington St. John, which I mentioned last week, a beat office has been established in Great Massingham, in another part of my constituency. Although there have been teething problems in terms of the extent to which the office is used, its establishment shows how, when a parish council works with the borough council and the police, the available resources and police efficiency can be maximised.

I want to press the Minister on something that the Government should be doing now. Last week, the Minister promised me that the Home Secretary was working hard to ensure that rural policing received a fairer share of the nation's resources in the spending review for 2000, due to be announced in July. I do not expect to hear much more than a repeat of that promise in terms of the broader picture. Would the Minister be willing to consider whether there was a significant opportunity, especially given the publicity, to study a package of rural measures for the fens? A part of the area is in the constituency of the right hon. Member for South-West Norfolk, a part is in Cambridgeshire and a part is in Lincolnshire. Specific problems there could be addressed.

All those with responsibility for crime and disorder matters should consider whether more could be done in the way of property marking, home and farm watches and, in particular, the improvement of intelligence. Complaints are made about telephone calls taken centrally from remote areas. Rural intelligence officers might be appropriate, perhaps acting across county boundaries. They could serve a particular patch so that local telephone messages could by taken by people

based locally, passing them to local police. I understand that we do not have a mobile closed-circuit television system because we are awaiting the outcomes of trials elsewhere in the country. I say to my hon. Friend the Minister that urgency on the matter would be helpful.

In closing, I hope that, even ahead of decisions to come later in the year, the Minister will be willing to consider some of the suggestions positively. I know from my discussions in Norfolk yesterday that the borough council and the local police would support such a rural package.

10.52 am

Mr. Owen Paterson (North Shropshire): I apologise for turning up late for the debate. I had a misunderstanding with a horse at the weekend involving gravity and had to see the doctor.

Mr. Drew: The incident did not involve the hon. Gentleman's head?

Mr. Paterson: Hon. Members will be glad to hear that the diagnosis was entirely trivial.

I congratulate my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard) on bringing this important matter to the attention of the House. I come from a rural area. If I dared to break the Norfolk monopoly on the debate, I would further congratulate my right hon. Friend on being part of a Government who increased the number of police officers in the West Mercia area by 405 during her time in office.

I would like to address the problem of police numbers in the West Mercia police area. The Minister received a delegation of West Mercia Members in January, led by my hon. Friend the Member for Ludlow (Mr. Gill). The Minister will therefore know that West Mercia police is easily the worst off of all shire police authorities, receiving £103,127. Dare I mention that Norfolk receives £109,000 and that Cleveland receives £152,495? There is no doubt that West Mercia has the lowest expenditure per thousand of the population. The figures for central Government grant per head of resident population for West Mercia are striking when compared with those for surrounding police authorities. In West Mercia, the sum is £84.63; it is £92.38 in the area covered by the Dyfed-Powys police, £134.30 in that covered by the West Midlands police and £93.60 in the Staffordshire police area.

I could continue at length. I have given the Minister the figures. I stress that West Mercia is one of the largest areas. We have 2,866 square miles and just one police officer per 1,078 members of the population. That is about the lowest ratio in western Europe. As the North Shropshire Neighbourhood and Farm Watch Association asked,

> Is it not about time that residents of the three counties forming West Mercia, who all pay the same rate of income taxes as the rest of the country, had a far better deal out of this Home Secretary and the Home Office?

When we saw the Minister, we were told to hang our hats on the crimefighting fund. We have already lost 78 policemen in West Mercia since the election. There was great disappointment when, of the 36 new posts applied for, only 18 were granted, so we are 60 policemen short—despite the fact that the Government acknowledged that there are problems in delivering policing in rural areas and commissioned ORH Ltd. to report on the cost created by the extra travel times and communications difficulties and the need for extra police stations. The report recommended that the sparsity factor in rural areas be taken into account.

I hope that the Minister will respond to that issue. Why did the Government commission that report from an independent company and then stick it in a drawer? Why have the Government not acknowledged the report's recommendations, which would have given West Mercia £2.3 million extra? There is a real danger that the contract between the citizen and the state—whereby the citizen pays his taxes and hands over responsibility to the state to maintain law and order—may be breaking down.

Following the high-profile debates that took place after the incident in Norfolk, I went to Oswestry market last week. As I went around the town, I was astonished to learn how many people's houses or shops had been broken into. I was also astonished to discover that many people had not reported the incidents to the police and, importantly, that they had threatened intruders with weapons. That is extremely worrying. There is a danger that, unless the developing vacuum is dealt with, people will begin to take the law into their own hands, either through vigilantism, which has already been mentioned, or by employing private agencies. I have addressed councils on that issue, and they all say that they would like more policemen. However, there are 98 villages in my constituency, and it is highly unlikely that, with any Government, there will be adequate policemen to cover them.

I want to make one suggestion; parish councils should be allowed to finance security men out of their precept. That has already been done in St. Martins, an ex-mining village that has experienced law and order problems. In that village, where an ex-policeman was employed and put in a smart uniform, a considerable amount of trivial, tiresome street crime disappeared because there was someone on the spot who knew the locals, could spot strange cars or ne'er-do-wells coming into the village and could keep in close contact with the police. The system worked extremely well but, for reasons that I shall not go into, it was stopped, and West Mercia has employed a community policeman, who is based in a supermarket in the village. However, there is real merit in considering the use of security men, funded by parish councils, who can liaise closely with the police—an idea that is supported by the senior policemen to whom I have spoken. I should be interested to hear the Minister's reaction to that.

10.57 am

Mr. Colin Breed (South-East Cornwall): I believe that there is a large measure of agreement between members of all parties who represent rural areas. Rural crime certainly is not new, but perhaps it is now being highlighted and it is increasing—partly, I suspect, due to the population shift. More people are moving into rural areas, so it may not be surprising that there is an increase in rural crime.

I suspect that most people and most parish councils want, not more policemen, but less crime, but they imagine that by having more policemen, there might be

[Mr. Colin Breed]

less crime. There is no doubt that the police are stretched and are being stretched further. The sparsity factor has been mentioned, and I hope that the Government will recognise the need to do something about it because it is clearly affecting the ability of the police to provide the sort of service that they want to provide in rural areas.

Those hon. Members who represent holiday locations will be aware of the problem of the seasonal increase in crime due to tourism. We enjoy the benefits of tourism, but it means that the police are stretched even further, and, with the inevitable traffic jams, response times become even worse, which does not make it easier for the police to attend incidents.

I suspect that every hon. Member who has visited a police station and spoken to policemen recently would confirm that one of their biggest moans is about the amount of paperwork that they have to do. I am unsure whether that problem has been tackled vigorously enough in recent times.

My part of the world, the south-west, has also seen the confluence of some unusual happenings. Two lengthy murder inquiries are under way, and have absorbed an enormous amount of police time and money. When unusual events happen together and resources are already stretched, that can make life exceptionally difficult.

I, too, have heard representatives of towns suggest that they may contract private security firms, but, as a former local councillor, I must say that that is slippery slope. Why should people have to pay additional council tax on top of other taxes in order to provide additional policing support? I can understand why councils in some areas believe that that is the right approach, partly because major problems are experienced at certain hotspot times and in certain hotspot places. Many of the problems experienced in our towns and villages occur exclusively on Friday and Saturday nights at certain locations, which most people could readily guess. It is more difficult to police at particular times in particular places: half a dozen towns may all experience Friday and Saturday night problems. Town and parish councils feel that if they could only have extra support for five or six hours at certain times of the week, they could protect the premises, the flowerbeds, the toilets and so on, which are often the target of vandalism at night.

May I offer several suggestions for the Minister to consider? First, Devon and Cornwall has the largest special constabulary and it certainly does a tremendous job. However, the time has come to reflect on how it operates and functions on a voluntary basis. It may be time to place the special constabulary on a more retained basis, as with many of the fire brigades in the south-west, so that chief constables may direct people when and where they are most needed and gain real value for money out of the training costs. I realise that the whole basis would be changed and that arguments about the merits of a two-tier force would be raised, but the special constabulary provides a means of improving community policing.

Secondly, the centralising of control rooms initially caused problems. It has improved, but many control rooms remain remote, particularly in rural areas where addresses are not complete. Some villages share the same name and there is an inordinate number of houses and farms with the same name—and a postcode is seldom provided. An experiment with the Post Office is taking place in my constituency because there is a raft of people with the wrong postcode. Satellite references are being examined. Satellite navigation is becoming prevalent in many areas, so we could consider giving proper reference points to remote locations to enable the police to attend such places without having to drive around the countryside looking for lights, balloons on posts or white towels on gates.

Thirdly, we should look further into Crimestoppers, which has already been successful and could be developed further. My hon. Friend the Member for Colchester (Mr. Russell) has obtained an Adjournment debate tonight on that very subject, so I hope that it will tease out further ways of supporting Crimestoppers.

Fourthly, planning is important. We must try to introduce into the planning system some of the defensive schemes that have been developed for older people's housing. Much of the fear about which we hear is undoubtedly related to the rowdyism and vandalism that occur around people's homes. We could look into that. I should also like wardens to be employed for older persons' establishments once more. The movement to electronic alarms has not helped to give people a feeling of security. I realise that that option was chosen for all sorts of budgetary reasons, but I believe that the physical presence of wardens on older persons' developments is far more reassuring than electronic alarms.

Some businesses invest significant moneys in crime prevention on their premises—the electronic tagging of goods, CCTV cameras and so on—only to find that, when they have caught people trying to leave their premises with their ill-gotten gains, the police decide not to prosecute, perhaps because the value is too trivial, or perhaps too high. Business people almost feel that there is little value in investing in security equipment. The police often give little thought to prosecuting offenders. They need to respond more positively to people who invest their money in security systems.

The hon. Member for Stroud (Mr. Drew) mentioned radio communications, as I intended to do. I do not know what the cost will be. However, we know that a certain windfall of £22 billion has come to the Government's coffers by way of the sales of mobile telephone licences, and I suspect that only a small fraction of that amount would be required to cover the cost of communications by radio. There is a certain synergy between the aspects of mobile telephone promotion and the upgrading of the police radio system.

Finally, the subject of access at night is being considered in the Countryside and Rights of Way Bill that is now passing through the House. The Government should consider that carefully. Many people who live in the countryside are worried about people's reasons for wanting access to land and around properties at night. They fear that it might not be for their general enjoyment alone but for other purposes. I hope that, even at this late stage, the Government will reconsider that provision.

Like every hon. Member present, I want the police to be given greater resources—as do the general public. Whether resources go into physical bodies or to other

purposes, people must be confident that their fears are being addressed, that crimes that they have experienced are being tackled and that the police have the resources that they need to reduce crime and the fear of it.

11.8 am

Mr. Oliver Heald (North-East Hertfordshire): We have had an excellent debate. I congratulate my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard) on securing it, and on the firm and reasoned stand that she has taken on rural crime. Many people throughout the country appreciate what she is doing, which is why so many of them have written to her expressing their deeply felt concerns.

We have heard a range of speeches; I shall comment on some of them. The final point that the hon. Member for South-East Cornwall (Mr. Breed) raised was about access to the countryside at night. He may remember that the former Prime Minister, my right hon. Friend the Member for Huntingdon (Mr. Major), writing in *The Field*, pointed out that the right to roam could in certain circumstances become a charter for rural crime, reminding us of how many people's houses or gardens backed on to open land on village edges. That makes the point that at night, access to the countryside—a fine ideal—can have particular dangers in rural areas.

I pay tribute to the police for their work. Their job is not easy, and they show tremendous bravery and courage on occasions. The police also give us a great deal of reassurance. Obviously, criticisms can be made and must be answered, but it should never be thought that we do not support the police in their work.

Yesterday's crime figures bring into focus the worrying background to the debate. The figures cover the full calendar year up to the end of 1999, when crime levels rose for the first time in six years. The statistics also show that the rise in recorded crime is gathering pace. The situation was alarming in September, and now it is worsening. For the 12 months to the end of September, crime rose by 2.2 per cent., but for the full calendar year to December, it rose by 3 per cent. The Home Secretary's so-called crusade against crime is failing.

The figures will cause concern everywhere, but especially in rural areas. It is particularly frightening to be the victim of a crime in a remote place, because neighbours are at a distance and there are concerns about the police's ability to respond. Victims feel isolated in a way that they do not in a town. The figures also confirm the anecdotal evidence that we have heard in the debate, and which has been building in the past year. In his excellent contribution, my hon. Friend the Member for North Shropshire (Mr. Paterson) explained that people in Oswestry feel that crime is increasing and that the police are not providing adequate redress.

At the royal show in Stoneleigh on 5 July 1999, it was revealed that rural crime is costing farmers and landowners more than £100 million a year. NFU Mutual said that 30,000 vehicles worth £73 million disappeared from farms and country homes last year, and that farm machinery worth £14.2 million and livestock worth £4 million were lost.

Sid Gibson of the Mutual said that he was concerned about the fact that rural crime was not falling, and he made some suggestions. Colin George, a representative of a rural security company, blamed the removal of police from villages. In late August, the Martin case occurred. David Barnard, an Upwell parish councillor, told his local paper that crime had reached crisis point in seemingly tranquil fenland villages. In Wisbech, which has the third-highest per capita crime rate in the country, the police station is now closed in the evenings.

On 3 October, the BBC report on rural crime painted a worrying picture. It surveyed 120 farmers, of whom 55 per cent. had suffered burglary in the past year, 30 per cent. had been abused, 45 per cent. had encountered vandalism and 20 per cent. had experienced arson attacks. They were frightened. In the House, we have held debates that highlighted rural concerns. My right hon. Friend the Member for South-West Norfolk pursued the issues on 19 October, and my right hon. Friend the Member for East Devon (Sir P. Emery) did so on 2 December. They both talked about the problems of rural areas and the fact that 14 police authorities had written to the Home Secretary to say that rural police authorities were disadvantaged because of insufficient recognition of the extra costs of sparsity.

Why has that happened? The hon. Member for Stroud (Mr. Drew) cited the problem in his local village, where the local police officer, Jim Gregory, will not be replaced, and the hon. Gentleman set out his concerns about that. We should not forget the background in Gloucestershire. Since the general election, funding has decreased by 3 per cent., which means 35 per cent. fewer officers, and in the past year crime has increased by 4 per cent.

The hon. Member for North-West Norfolk (Dr. Turner) explained that in his constituency there were problems with the visibility of officers; he tried to make the case that the Government were not to blame, but one cannot ignore the fact that in Norfolk, police numbers are down by 50 and crime is up by 665 offences. The hon. Gentleman should accept that there is a relationship between the number of officers and increased crime. He argued that officers should be used more efficiently and should have equipment of good quality, and no one would argue with that. But one cannot get around the fact that if everything is run efficiently and there are more police officers, more criminals are caught and the public are reassured.

Dr. George Turner: Will the hon. Gentleman admit that the Government inherited a situation in which the initial support services in Norfolk were extraordinarily badly funded? It was therefore courageous of the chief constable to tackle those issues.

Mr. Heald: It is all very well to argue, "Oh well, it was all terrible then," but at the last general election the hon. Gentleman stood on a platform saying that things could only get better, when the sad fact is that in Norfolk, they have got worse. The chief constable said that he wanted 400 more officers, although that figure was reduced to 90 in the crimefighting fund bid and he got only 66—two thirds of what he asked for.

Police numbers are a serious issue; funding should be provided to restore them to the numbers that existed at the general election—an extra 2,300 officers. There should be greater visibility of officers in rural areas; my

[Mr. Heald]

right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) unveiled her plan for officers on the beat to stop in shops and other public places to do their paperwork, to increase their visibility. Work should be audited so that we know what can be done most efficiently and effectively by police officers and what non-essential tasks can be done by civilian staff.

Under the Conservatives, police numbers increased by 15,000 and civilian numbers from 4,000 to 53,000, which allowed the police to do their work—

The Minister of State, Home Office (Mr. Charles Clarke): Crime doubled.

Mr. Heald: The Minister says that crime doubled, but we turned it round; there were five years in which crime fell. [*Laughter.*] How can anyone laugh when, after five years when crime fell, it has started to rise again and the pace has built up, so that in September last year it was rising by 2.2 per cent. and now it is rising by 3 per cent? Where will it end?

The Minister must take the reasonable steps that we suggest. Although there may not be a direct correlation between police numbers and crime detection, there is a clear correlation between fear of crime and the numbers of police, who provide reassurance if their efficiency is maintained.

It is time that the Minister listened. We have had enough of the ORH report being put on the shelf and enough of, "Oh yes, we will do something about police pensions some day." The fact is that some day has come; we want answers and action now. The time for all talk and no delivery is over; the thin blue line cannot be stretched any thinner.

11.19 am

The Minister of State, Home Office (Mr. Charles Clarke): I congratulate the right hon. Member for South-West Norfolk (Mrs. Shephard) on securing the debate. She has shown a consistent interest in this subject. I agree with the hon. Member for North-East Hertfordshire (Mr. Heald), who described the way in which the right hon. Lady spoke as firm but reasoned. She expressed her thoughts in a positive and constructive way, which contrasts with the intemperate style of her party's current leader on those matters. Some members of her party might wish that she spoke for it on such issues instead.

My only quibble in terms of substance relates to the suggestion by the right hon. Member for South-West Norfolk that there is a lack of interest in rural communities in the Government. My hon. Friend the Member for Stroud (Mr. Drew) took up that point with her, and I am glad that he did so. I take very seriously the points made by the National Farmers Union, the Country Landowners Association and the Countryside Agency, to which she referred. In particular, I take seriously the issue of crime against agricultural businesses, which the hon. Member for North-East Hertfordshire mentioned. His point is correct. I note that many schemes, such as the farm watch scheme, have been positive. Nevertheless, the issue is serious, quite apart from the problems that arise from rural isolation and fear, which many hon. Members have mentioned.

Two debates have already taken place on this question in the past 10 days, and I do not intend to go over the territory that I covered in those debates. However, I will make a point about the general context. Some crimes are specific to the countryside, such as the theft of livestock and farm equipment. However, in the main, rural areas suffer much the same sort of crime as urban and inner-city areas. The level of general crime is usually lower in rural areas than in urban or inner-city areas. For example, statistics show that the levels of vehicle crime, burglary and violence in rural areas are roughly three quarters of those in urban areas and about half those in inner cities. Across a range of offences—burglary, mugging, car theft, theft from a car, rape and racial attacks—research shows that the fear of crime is also markedly less.

In an interesting interview with the *Yorkshire Post*, the chief constable of North Yorkshire recently stated:

> Across North Yorkshire's largely rural two million acres we are driving crime down, year after year...
>
> I prefer to see the crime figures as a form of recognition of the first-rate work done by the county's officers. They are working increasingly closely with...the community we serve.

I do not want in any way to diminish the point made by the right hon. Member for South-West Norfolk, because she is right to raise it in this way. However, it is important to establish the general context. As I said, we will publish a rural White Paper later this year. Our concern with crime in the countryside will be shown by the inclusion of a section dealing specifically with rural crime.

A large number of specific issues have been raised, to which I must respond. First, we accept the point about pensions. As I said last week, we are actively considering whether the matter can be dealt with nationally, rather than by every police authority separately, because the burden of pensions is distributed unfairly across police authorities.

I have only one quibble with Mr. Wilson, the chairman of Norfolk police authority, on best value. I believe that it is making a difference. It is improving the performances of all forces to the top quartile and thereby freeing resources for better policing. The right hon. Member for South-West Norfolk will be interested to know that the Government published last week a report by Clare Spottiswode, on the public services productivity panel, considering the possibility of varying the efficiency target instead of having a 2 per cent. efficiency target across all forces. We are considering that very positively, to try to find a more sensitive approach that better reflects the specific levels of efficiency in organisations.

On the police radio project, my hon. Friend the Member for Stroud is right that it makes a material difference to the police's ability to be in the communities that they serve. However, it is eccentric for Norfolk to suggest that the burden of paying for it falls on Norfolk specifically. Major criticisms have been made of funding, almost all from the main metropolitan areas. In general, most rural areas have acknowledged—for the reasons identified by my hon. Friend—that the project benefits rural areas and that the financial burden does

not fall on them unfairly. I will discuss that matter with Mr. Wilson and the police authority, because he has also raised it in a letter to me. The issue is important, but I believe that he is wrong.

I have nothing to add to what I have said previously about sparsity. I have met representatives of a wide range of organisations, including all the relevant authorities from North Shropshire, Norfolk, Avon, Devon and Cornwall, West Mercia, and Gloucestershire, which are represented by people who have spoken in this debate. All those authorities are involved in the same consortium. Sparsity is being considered in the context of the spending review and there is a strong case for that. My hon. Friend the Member for North-West Norfolk (Dr. Turner) made the case about security in Gloucestershire and the same case can be made for Norfolk, which has Sandringham in its midst.

I shall not bandy numbers about any further, except to say that between March 1993 and 1997—under the Conservative Government—numbers decreased by more than a thousand across the country. Civilians are relevant. The example that I gave earlier about the loss of 49 police officers in Norfolk contrasts with an increase of 57 civilians, which is not atypical. Indeed, it applies across the country—

Mr. Heald: Will the Minister give way?

Mr. Clarke: I will not, because I am pressed for time and need to deal with a range of specific points.

The hon. Member for North Shropshire (Mr. Paterson) asked about parish councils. He made a powerful case. Parish councils are providing some funding. We are examining ways of increasing the role of parish councils. I have discussed with Church people in Norfolk how that could be achieved. Issues about specials and retained officers raised by the hon. Member for South-East Cornwall (Mr. Breed) could be considered within that context. It was right to highlight the importance of parish councils. As I said, we are examining ways of engaging more actively on that front.

CCTV is another important issue. We are attempting in several ways—including the use of mobile schemes of the type mentioned by my hon. Friend the Member for North-West Norfolk, and the linkage of cameras to central control rooms, which has proved effective in different areas—to ensure that it can be used more effectively in rural areas. We are also reflecting on fenland problems—in the context of the relationship between Norfolk, Cambridgeshire and Lincolnshire—to establish what is causing the difficulties there and to try to help rural partnerships in those areas.

I much appreciated the points about youth justice raised by my hon. Friend the Member for Stroud. It has been widely recognised and is making a material difference to the process. As to Minchinhampton, I am not familiar with the details, but I shall certainly ask the chief constable to write to my hon. Friend about the important matter that he raised. I shall not be tempted to comment on Crimestoppers because there is an Adjournment debate about it this evening, but I take it most seriously.

On the right to roam, I was intrigued by the proposition that criminals about to break into countryside houses in the middle of the night will be deterred or encouraged by the right to roam. Those issues are not related in the way suggested.

As I said in a recent Adjournment debate, partnership is a key part of the solution. Joint use of facilities is important and I was interested to hear about the possibilities of police doing their work in shops, schools, supermarkets and so on. We are actively discussing and seeking to encourage that in our review. There should be better use of joint facilities—church halls and schools, for example—to bring about a more tangible police presence locally.

We are also considering the roles of special constables and retained officers in the context of helping to develop local partnerships; and we are examining targeted policing to identify the hotspots. My hon. Friend the Member for Stroud made a good point about known criminals in particular localities. We wish to encourage better watch schemes. Farm watch schemes, for example, have been effective in dealing with some of the problems raised by the hon. Member for North-East Hertfordshire and the National Farmers Union. More effective alarm schemes and wardens are also important initiatives.

I mentioned technology. In addition to the police radio system, the national strategy for police information systems is important for getting rid of paperwork and developing better intelligence. Reference was made to abstractions of police for training or servicing the criminal justice system, which causes problems for local policing. I repeat what I said to the Association of Chief Police Officers: it is important that it, the police and the community as a whole give evidence and submissions to the inquiry on the reform of the criminal justice system, to which the Government give high priority. Debates should not be dominated by lawyers alone. The criminal justice system is relevant to the police and everyone who uses it. We must achieve a more efficient system for community safety. Changing the criminal justice system so that it places fewer burdens on the police and others is an important element of the process.

The debate has opened up the issue of self-defence and reasonable force. I commend what the shadow Home Secretary initially said on that matter:

> At the moment, I have yet to be persuaded that the law is at fault, because the law says you can use reasonable force.

Sir John Evans, the chief constable of Devon and Cornwall and president of ACPO, and many other police spokespeople have confirmed that position. The editor of the *Police Review* said:

> Worst of all is the dangerous knee-jerk reaction to Martin's conviction. William Hague, to his eternal shame, has sought to make political capital out of this tragedy by calling for a change in the criminal justice system.

That is a widely held view. I hope that more Conservatives will align themselves with the right hon. Member for South-West Norfolk, who secured the debate, and the firm and reasoned tone in which she has expressed her arguments, than with their party leader.

Madam Deputy Speaker (Mrs. Gwyneth Dunwoody): Order.

Ancient Woodlands

11.30 am

Mr. Gareth R. Thomas (Harrow, West): Brands Hatch, the home of British motor racing, wants to destroy 37 acres of ancient woodland to create new facilities for the 2002 British grand prix. I am a motor racing fan. I relished the performance of David Coulthard when he won at Silverstone two weeks ago and delighted in the driver's world championship victories of Damon Hill and Nigel Mansell. However, the home of British motor racing should not be allowed to desecrate ancient woodland to build, among other things, a new media centre, a helicopter pad and new car parks.

Brands Hatch has owned the 37 acres for many years, using the area for off-road racing. At present, anyone who owns a wood under what are called permitted development rights can race cars in ancient woodland for up to 14 days a year. That can cause considerable damage. In its application for the new development, Brands Hatch claims that its rally school—for which it presumably received planning permission—operates not just for 14 days a year, but for 140 days a year.

Brands Hatch is just the highest-profile case. I have consulted Woodland Trust, which says that at least 35 other ancient woods are under serious threat. Ancient woods are one of the great irreplaceable and unsung glories of Britain's natural heritage. They are nature's cathedrals—timeless places of great beauty and tranquillity. A wood can be somewhere to head for, a place to stop for reflection on an evening's stroll and an indicator of the changing seasons. The bluebell-carpeted wood remains a timeless image advertising the beauty of our countryside.

Because they have long been undisturbed, ancient woods are often historical treasure troves. Bronze and Iron Age earthworks, ancient park boundaries or charcoal pits and kilns provide clues to past land use and local industrial history. As the habitat most representative of our original, natural, stable conditions, ancient woodland is home to more threatened species, such as the bluebell, than any other habitat in the United Kingdom. At least 45 woodland species became extinct during the past 100 years. Many remaining species, such as the wood anemone or Soloman's seal, which are found only in ancient woodland and have limited powers of dispersal, are struggling to survive.

The UK biodiversity action plan states that broad-leaf woodland, which forms virtually all the ancient woodland in the UK except for the Scots pine forests of Scotland, supports almost twice as many UK biodiversity action plan species than any other habitat. Only 309,000 hectares of ancient semi-natural woodland survive in England, Wales and Scotland. That is just 2 per cent. of the total land area. In Northern Ireland, no accurate records exist. Roughly 50 per cent. of Britain's ancient woodland has been lost since the first world war, mainly through conversion to conifer woodland and clearance for agriculture. Development pressures, the channel tunnel rail link, the Newbury bypass and countless well-known road schemes have destroyed or threatened areas of ancient wood. Increasingly, ancient woodland is found in small fragments—islands of biodiversity in a hostile landscape of intensive agriculture and urban sprawl.

I am lucky to have a fragment of ancient woodland in my constituency. I became familiar with Pinner wood during my time on the excellent Pinner Wood first and middle school governing body. The wood occupies almost the whole central portion of the beautiful Pinner Hill golf course and includes one of the oldest oak trees in Middlesex. I am told that the wood, formerly linked to other nearby areas of ancient woodland just outside my constituency, is a valuable nature conservation area, with excellent examples of oak and pollarded and coppiced hornbeam. Bridge pond in the woods is noted for its great crested newts and its rich variety of waterside and aquatic plants, including water plantain and white water lilies. A range of plant species that were previously recorded in the woods are now sadly extinct, including the frog orchid and the violet helleborine. Even in 1547, Pinner wood was 127 acres in size. By the time of enclosure in 1817 it was down to 26 acres and it now measures just two hectares. Not far from Pinner wood is Pinner Park farm, also in my constituency, which stands on the site of a former 100-acre ancient wooded enclosed hunting area. All that remains are the deer park boundary, which still awaits appropriate designation, and a relatively small number of trees. That is an example of the fate that has already befallen so many areas of ancient woodland.

Three broad threats to our ancient woods remain: their size, climate change and a series of legal loopholes. Some 80 per cent. of all ancient woods are less than 20 hectares in area, and 44 per cent. are between two and five hectares. As there are many ancient woods of less than two hectares not included in the current inventory, most ancient woods may be less than two hectares.

The trend towards smaller, more isolated woods has had several important consequences. Large areas of woodland are more valuable for wildlife than small areas. The size of woods is important because of the direct relationship between size and the number of species that can be supported. In addition, all species need a certain minimum area to breed and feed successfully. Core area is an important concept for ancient woodland. The edges of woods are more liable to fluctuations in the environment caused by wind and temperature and are more vulnerable to pollution such as pesticide spray drift. Many species specific to ancient woodland are unable to tolerate that edge effect and require the relative stability of the core of the woodland. The size and the shape of the wood affect the relative amounts of core area and edge. In addition to outright clearance of woodland, habitats between woods and other semi-natural habitats, including hedges, have been lost. Large arable fields have created barriers to migration. Improved grassland, pesticide drift, fertiliser migration in ground water and deep ploughing near trees have all taken their toll.

Perhaps the greatest long-term threat to our ancient woods, assuming that we are able to protect them from further development and fragmentation, is climate change, which is increasingly recognised as a major and as yet unquantifiable factor that will affect all of us in the future. There is already overwhelming evidence that climate change is happening. That creates particular dangers for ancient woods. The environmental stresses caused by summer droughts will make trees more vulnerable to disease and frost-free winters may prevent

invernisation—many trees need winter cold to reset their clocks for spring and for the germination of seeds. It could also bring about increases in insect pest populations and bring over new pests from warmer climates, which may be able to survive all year round, as well as causing changes to flowering times, the nesting of birds or the emergence of insects, which may disrupt ecosystem functioning. While species may be able to migrate in response to climate change, many ancient woodland species are very sedentary, and migration of whole habitats will not be possible. The cumulative effect of all those impacts could be serious for ancient woods.

Existing legal loopholes include failures of the current sites of special scientific interest system. Some 85 per cent. of ancient woodland, including five of the 12 largest ancient woodland sites in England, lack SSSI or any other designation. Because sites are selected on the basis of a representative sample, many high quality sites fall outside the protection offered by SSSIs. In any case, current SSSI legislation cannot prevent landowners from neglecting woodland. We need to re-examine permitted development rights, which, when exercised for purposes such as scrambling, four-wheel drive vehicle racing or caravan holiday use, can damage ancient woodland. The removal of trees can be claimed to be necessary for such activity, since no felling licence is required for felling necessary for development that is deemed to have received planning permission, as in the case of permitted development.

The current felling licence system is another loophole. To be covered by a felling licence, trees must have a minimum diameter of 8 cm, so it is possible to remove young trees, shrubs and undergrowth from woodland. Up to 5 sq m of timber every quarter can also be extracted. When those two factors are exercised in parallel, they can severely degrade a wood in just a few years. As an aside, I point out to hon. Members that Northern Ireland has no felling licence controls. The tree preservation order system, which is not especially strong in England, is also much weaker there.

Policy on ancient woodland has moved a long way in the past three years. The remaining area of ancient woodland is one of 150 indicators of sustainable development outlined in "A Better Quality of Life: A Strategy for Sustainable Development for the United Kingdom", which was published last year. The England forestry strategy, which was published in 1998, also recognises the importance of ancient woodland. However, other positive measures are needed to close a series of legal loopholes. We must increase protection for sites of special scientific interest. The Countryside and Rights of Way Bill offers an excellent opportunity to strengthen protection for SSSIs, including ancient woods. We should also contemplate the creation of a new form of conservation status for important habitats outside the SSSI system through the creation of local wildlife sites. Stronger references to ancient woodland must be included in planning policy guidance. We should also consider improving the tree preservation order system and introduce felling licences in Northern Ireland.

As the last update to the planning guidance to local authorities on trees and woods was made more than 22 years ago, new and updated formal planning guidance to local authorities should be provided. We should review existing permitted development rights and rescind those that damage ancient woods. The Government are already committed to tackling the legacy of past land management policies, but several other specific steps might also be taken. A carefully targeted woodland creation programme could link ancient woods in areas where there is a high density of sites. That would increase the area of ecologically sustainable woodland. The farm woodland premium scheme could also be fundamentally reformed to ensure that woodland creation was targeted and supported planned expansion.

Urgent research should be undertaken into techniques and priorities for restoring ancient woods planted with conifers. We could also ensure that environmental payments to farmers were dependent on whole-farm plans that included sound management of hitherto neglected farm woods. In addition, we could argue for increased support for forestry and woodland expansion through European Union negotiations, based on the specific case of the United Kingdom's low woodland cover and low amount of ancient woodland. We should continue to encourage the take-up of environmentally responsible management of woods and forests through active support for the UK woodland assurance scheme and for Forest Stewardship Council certification schemes.

The Government are already working hard on a number of fronts in relation to climate change. We must continue to champion stronger support for renewable energy and energy efficiency in transport, homes, offices and industry. We need to recognise the role of carbon offsets in reducing the severity of climate change and to promote the value of woodland in helping to increase stored carbon by protecting the existing resource, increasing the rates of planting new woodland and using wood fuels rather than fossil fuels. Support is also needed for action intended specifically to protect ancient woodland from the worst effects of climate change by extending existing woodland areas and creating large areas of new habitat on a sufficient scale to sustain wildlife in the face of potentially rapid environmental change.

Size matters here. The Greater London area has some 2,203 hectares of semi-natural ancient woodland, 30 per cent. of which is found within the borough of Bromley alone. Before this debate, I consulted Trees for London, which told me that much of the tree planting in central London dates from Victorian times. Plane trees are particularly efficient at hoovering up carbon dioxide pollution. Thanks to the Victorian legacy, they are dotted along Park lane and other places, but I am told that those trees now need replacing. I hope that the mayor and the Greater London Authority will address that issue, in partnership with a range of other bodies and as part of an urgently needed strategy for London's trees and ancient woods.

Ancient woodland is part of our heritage. It is a crucial habitat for many species and is vital to the biodiversity of our nation. The Government are already committed to tackling many of the legal loopholes and land use and planning policy issues. I hope that my hon.

[Mr. Gareth R. Thomas]

Friend the Minister will be able to add a new sense of urgency and champion the need for new planning guidance, a greater protection of sites of wildlife interest and the use of grant aid to target action for strategic woodland creation. Is it not time that we drew a line in the sand with regard to Brands Hatch and said that enough is enough? We do not want part of our heritage replaced by a new car park and media centre.

11.44 am

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Chris Mullin): My hon. Friend the Member for Harrow, West (Mr. Thomas) made a good speech on an important issue and raised many points, to which I will do my best to reply. The Government share his view of the value of ancient woods. I do not claim that it is possible or, in some cases, desirable to create a system that protects such woods from all threats. However, we have taken a wide range of measures to protect them, as my hon. Friend acknowledged, and further measures are under consideration.

My hon. Friend mentioned Brands Hatch. The application to which he referred is before Sevenoaks district council. The question of the loss of ancient woodland will be initially for the council to consider. The application, should the council be minded to approve it, will be referred to the Secretary of State as a departure from the development plan. He will have the opportunity to call in the plan should he see fit. My hon. Friend will therefore understand that I cannot comment further on the matter for the time being.

My hon. Friend drew attention to the way in which the planning system deals with ancient woods. Land use planning plays a positive part in protecting trees and woodland in areas formally designated for their nature conservation value. Where there is no specific designation, the decision on priorities is deliberately left to planning authorities. That reflects the planning system's essential role as a tool to be used by those best able to take a balanced view of all the local considerations. Within that framework, planning policy guidance emphasises the importance of safeguarding the character of the countryside, of which ancient woods are an important element. It also suggests that local authorities should identify sites of local conservation importance, such as ancient woodlands, and include appropriate policies in their development plans.

The forestry forum is reviewing, among other matters, the existing guidance on trees and woods. The forum provides an opportunity to consider whether amendments to offer further protection to woods might be needed. My hon. Friend may be assured that the Government are aware of the arguments and will give them careful consideration. He might be interested to know that we recently added the Forestry Commission to the list of non-statutory consultees for planning applications involving ancient woodlands. That change is important and should ensure that local planning authorities have access to proper advice on the significance of threatened woods.

My hon. Friend referred to the need to take direct measures to protect and expand forest cover. I am pleased to say that the Forestry Commission is developing a new challenge fund aimed specifically at reversing the fragmentation of ancient woodland. Its revised woodland grant scheme rules will increase the grant aid for planting that defragments ancient woodlands. I do not like the word "defragment", but it is on my brief.

The use of local native species is widely supported, within practical limits, by the Forestry Commission and English Nature. The Forestry Commission encourages owners of ancient woodland to restock using natural regeneration where possible, or plants of local provenance if not.

The England rural development plan includes several funding measures that should benefit forestry. For example, there will be a 26 per cent. increase for the woodland grant scheme, bringing total expenditure over the planned seven years to £139 million. There will be a 37 per cent. increase in the farm woodland premium scheme. The adoption of the UK woodland assurance scheme is also strongly endorsed by the Forestry Commission, which, of course, was largely instrumental in developing it. My hon. Friend mentioned the situation in Northern Ireland, but I am sure that he appreciates that I cannot deal with that.

The most serious issues relating to SSSIs are neglect and inappropriate management. The Countryside and Rights of Way Bill will introduce management notices, which will be a useful tool to combat neglect. Other measures include conservation objectives and management schemes. The Bill will also introduce stronger controls over the exercise of permitted development rights by proposing that such operations may be carried out only with the consent of English Nature. The Bill will be complemented by revised guidance on planning for nature conservation and biodiversity.

It is true that the small size of ancient woodlands often means that they may not qualify to be notified as SSSIs. The local sites review group has been taking views on the identification, protection and management of such local sites. The group has submitted its initial report to the Department and we are considering the most appropriate way forward.

Any application for a felling licence for trees protected by a tree preservation order is handled by the Forestry Commission, in consultation with the local authority responsible for the order. If, after consultation, a felling licence is granted, the tree preservation order is overridden, but that is not a loophole. If the local authority objects to the Forestry Commission's proposal to grant the licence, the application is taken out of the commission's hands and transferred to my Department. The provision for a small licence-free quota, to which my hon. Friend referred, is seen as providing a reasonable balance between controlling felling and allowing small-scale woodland management without excessive bureaucracy.

It is the Forestry Commission's policy to prosecute wherever there is clear evidence of a serious breach of felling controls. In 1998-99, 337 cases of alleged illegal felling were reported to, or discovered by, the Forestry Commission. Investigations revealed that in 112 of those cases there was prima facie evidence that the regulations had been broken. In the same year,

17 prosecutions were brought and formal warnings were issued in 23 cases. A further 15 cases had still to be resolved.

Protection from felling in cases that do not involve development has been recently improved considerably by the environmental impact assessment regulations introduced last year. Any proposal to remove ancient woodland of more than one hectare will need a formal determination by the Forestry Commission as to whether an impact assessment is required. Where it is required, the commission will consent to deforestation only if the assessment shows that it will not have a significant effect on the environment.

As my hon. Friend said, climate change is a threat to woodland. A considerable amount of research is being done on the issue, one of the fruits of which has been a paper produced recently by Forest Research on the impact of climate change on trees. It suggests a range of possible effects, including faster tree growth in some regions and more severe damage by larger numbers of pests. It is too early to reach conclusions on the overall significance of climate change or on the measures that may be required to deal with it, but an integrated model of forest productivity that takes the various factors into account is now being developed.

The Government's draft climate change programme, published on 9 March, sets out a range of policies and measures for promoting better energy efficiency and new technologies. We have set a target to provide 10 per cent. of the UK's electricity supplies from renewable energy sources by 2010 and we want to encourage other more efficient ways of producing energy. For example, we have a new target to double the capacity of combined heat and power to 10,000 MW by 2010.

We also recognise the role of carbon offsets, to which my hon. Friend referred. In our draft climate change programme, we announced that we would encourage UK-based carbon offset projects that promote renewable energy, energy efficiency measures and forestry. The recent coppice-burning project successfully demonstrated one aspect of the potential for renewable energy.

In general, the Government accept that intensive agriculture continues to have a deleterious effect on wildlife. I cannot do justice to such a large subject today, but we are far from complacent and have put in place a considerable number of policies and practices to reduce its damaging effects, as well as incentives to encourage environmentally friendly farming. Measures are in place to control, among other things, the storage of silage, slurry and agricultural fuel oils and to ensure that Environment Agency authorisation is needed for the disposal of hazardous substances such as sheep dip and pesticide waste to avoid damage to species and adjacent habitats.

A range of financial incentives is in place to encourage better management, notably the substantial increase in support for agri-environment schemes in the England rural development plan. More than £1 billion will be spent during the seven years of that plan, including £566 million for the countryside stewardship scheme, £334 million for environmentally sensitive areas, and a threefold increase to £134 million in funding for the organic farming scheme.

As I said at the outset, the Government recognise the value of ancient woods. I hope that I have demonstrated that we have taken and are continuing to take a wide range of measures to protect and expand them, as well as to protect the wider natural environment of which they are a part. I hope that my hon. Friend agrees that we have a good story to tell. No one is under any illusions about the scale of the problem, but it is being addressed.

Tourism (Southend)

11.57 am

Mr. David Amess (Southend, West): I am a born optimist, Madam Deputy Speaker, so I hope that by the end of this short debate there will no one in this country or overseas who will not wish to visit Southend. It is a truly magnificent seaside resort.

Following the events of last Thursday, I hope that I shall be allowed to be somewhat self-indulgent. Local Conservatives fought the campaign on the slogan, "Wake up Southend". From my biased political perspective, Southend did wake up. Before Thursday's elections, the Conservatives were one short of a majority. There are now 25 Conservative members and 14 opposition members. Sadly, every one of the Labour party's candidates was defeated, and only two of the eight Liberal Democrat candidates were successful. A huge change has taken place in the politics of Southend.

Although many local people seemed to think that the council was still Conservative, it has not been so for six years. The Conservatives made any number of promises during the election and they are beholden to try to keep those promises. They dare not let the people down. We are taking over at a difficult time in Southend, just as the incoming Labour Government claimed that they were taking over the country at a difficult on 1 May 1997. I pay tribute to all those who have worked to promote the town as a seaside resort. It is a wonderful tourist attraction.

So proud are we of the town that we invited Her Majesty the Queen to visit us for the first time a few months ago. We are not permitted to repeat what members of the royal family have said, but her radiance when she and her husband arrived on the seafront to be greeted by hundreds and hundreds of schoolchildren said it all. She thoroughly enjoyed her visit to Southend. If Southend is good enough for the royal family, I suspect that no one could fail to enjoy a visit.

Over the years, Southend local authority has adopted a number of strategies to promote tourism. Traditionally, one of Southend's main roles was that of a seaside resort for staying and day visitors. At one time, it was said to be the second-largest resort in the country. Tourism gave the town much of its impetus for growth during the late 19th and the first half of the 20th centuries. It stimulated investment, employment and development, especially along the seafront. It gave Southend considerable status nationally and it encouraged migration into the town with the consequent expansion of housing, retailing and other facilities.

Of course, things have changed dramatically. Whereas some years ago 5 million people used to go abroad for their holidays, the figure is now in excess of 27 million. No seaside resort is nearer to our capital than Southend. It does not take too long to get there on public transport: 40 minutes on either the Fenchurch Street or the Liverpool Street line. If one is feeling depressed by the grind of the city, in no time at all one can be in an environment that will lift the spirits. Southend has a wealth of culture. It has singers, dancers, painters and sculptors. We have magnificent local talent, much of it inspired by the sea.

I am a Londoner. I was born here. I love London. When I was a child my parents used to take me to Southend for trips along the pier, which is the longest in the world at 1.33 miles. It is a magnificent attraction. I also used to be taken to Leigh to enjoy shellfish and one of the two finest ice creams in the world at Rossi's and Tomassi's. There is a bit of an argument in the town about who has the best ice cream and as I am friendly with both families, I will say no more. I found all those things very attractive as a child.

Given the 14 years that I spent somewhere else, I would never have believed it if anyone had told me that I would represent the place where I was taken as a child. However, it was a different sort of seaside resort then. Going abroad was something for the very well heeled. It was not within the aspirations of ordinary people.

The town has spent a great deal of time developing a tourism strategy. The Labour party applauds strategies, so that must find favour with the Government. British seaside resorts experienced a marked decline in visitors during the 1950s and 1960s due to changing leisure patterns, a lack of investment in new facilities and a widely held view that tourism was unnecessary for the town's future. That is crazy. Tourism is so very important for us all.

Madam Deputy Speaker, you and I visited a beautiful part of the world last year, but however beautiful the places that we visit, there is no place like home. The United Kingdom has so much to offer. People say to me, "But David, what about the weather? You cannot rely on the British weather." We can in Southend. Any meteorologist will confirm that we have the greatest number of hours of sunshine and the lowest rainfall—although that may not always be a good thing—and that the weather in Southend is always glorious. Anyone who suffers from asthma, hay fever and other such ailments will find that Southend can cure them all, due to the ebb and flow of the Thames estuary.

During the 1970s, the decline in tourism levelled, but left a legacy of environmental problems, especially in the Marine Parade area of Southend. There was also renewed awareness of the advantages of a thriving tourist trade and the likely cost to the town of stagnation and further decline. In 1985, the council reaffirmed its commitment to encouraging tourism and, in 1989, it published a corporate tourism and resort strategy. It acknowledged the potential benefits of leisure development, increased facilities, jobs and income for local residents and businesses and the need for the council to become actively engaged. I am delighted that the council, which is composed of members of all political persuasions, supports that strategy.

The aims of the strategy are: to promote the resort potential of the town by identifying development opportunities and encouraging the provision of new tourist facilities and visitor attractions; to work to achieve improvements in the environment of the main tourism area along the adjoining seafront; to retain an adequate stock of serviced accommodation and promote the provision of new facilities; and to encourage the provision of improved facilities for water recreation and the retention and development of entertainment, cultural and arts facilities.

I hear siren voices saying, "What on earth is the good of a wish list and strategy like that?" Unless we put down on paper what we wish to achieve, how can we measure

whether we are achieving it? It is clear that no strategy can be set in stone because things are changing constantly, but in my view the local authority's decision to embark on some sort of strategy was an excellent idea.

The Minister for Tourism, Film and Broadcasting will be only too well aware that the Conservative party has published a document called "Tourism Today", the details of which I will not go into, much to the Minister's relief. The document talks about standard spending assessments and about help generally given for seaside resorts. The Minister will readily acknowledge that the decline of seaside resorts has been a problem generally. The hon. Lady's Department can do only the best that it can in the spending round against all the competing bids for health, education and other services, so I am not expecting her to be able to comment on that. However, I would support anything that she can do to encourage her colleagues to give more money to seaside resorts because we know well that they are extremely important for the United Kingdom's economy.

The two coastal areas in my constituency of Southend, West are Leigh and Chalkwell. In a debate a few months ago, I frankly expressed my dismay at the way in which the objective 2 negotiations had been handled. We were told before Christmas that Leigh and Chalkwell would qualify, but out of the blue we were later told that the fisheries strand was no longer being taken forward and that we were going for the urban strand and—hey presto!—Southend, West lost the £15 million that would have been available over five years. I complained that I had been elected to the House at the same time as the Prime Minister, but had never had a letter from him in all those years. The next day, a letter arrived from the Prime Minister, saying that he was aware of my disappointment about objective 2 status. He said that the then council knew all about the matter, although it said that it did not. Whatever happened, Leigh and Chalkwell lost out. I know that the Minister can do nothing about that now, but I hope that she will encourage those of her colleagues who work closely with the European Community to ensure that Leigh and Chalkwell are not left out.

The situation in Leigh and Chalkwell is different, but they need help. I have a wonderful briefing from Leigh town council, which makes it clear that, while Southend was set up as a tourist resort, Leigh was and still is a working marine village. It is just 40 minutes by train from London to that magnificent fishing village. It is "quaint" and has everything to offer, although because it is so quaint, it has no electric arcades, bingo halls or funfairs and is more peaceful than elsewhere. We have a tea room that sells clotted cream teas and we have quaint cobbled streets, a beautiful nature reserve called Two Tree Island and arts and crafts centres. We do not want Leigh to become an entertainment extension of Southend; we want it to retain its charm as a niche for tourists.

Leigh has access and parking problems and residents feel that their needs must be considered. There are also problems with boat access and accommodation. However, Leigh offers several opportunities. There are small craft shops in the old town and other specialist retailers in the town centre. We want to maintain Leigh's designation as a port to ensure that the marine industries stay in the town. Public transport access to Leigh and Chalkwell stations is good, there is plenty of space for walking, picnicking and nature observation, and food and drink are available from our wonderful restaurants. I was in Agostino's restaurant with a party of people on Saturday, and there is the Paris restaurant—indeed, we have every variety of restaurant one could imagine.

We want to keep the creek open to commercial boats and pleasure sailors and ensure that Leigh has a future as a working marine village. To do that, we need to dredge the creek, and we had hoped to get European money to do that. There is all sorts of talk about dredging that would keep the creek clear for only five years. If the creek is to be dredged properly, however, we need to spend more. That would mean a great deal to the local community.

Chalkwell is an attractive part of the town. Without question, Southend has the finest parks department in the country. Unfortunately, Chalkwell currently has a problem with graffiti. As I have mentioned many times in the House, we keep having meetings with the police, who keep finding the perpetrators, and we then move on to someone else. If the Government have a new strategy to deal with graffiti, I would be delighted to hear about it.

The newly appointed chairman of the leisure, culture and sports committee is our retiring mayor, Councillor Tony North. He is new to the job, so he is now putting his wish list together. I greatly hope that the Minister, who receives invitations from all over the country, will be able to visit Southend—she would receive a very warm welcome. She knows that we have had a challenging situation with asylum seekers, with one or two unfortunate incidents, but I am delighted that the Minister of State, Home Office, the hon. Member for Hornsey and Wood Green (Mrs. Roche), is in Southend at the moment meeting my parliamentary neighbour. We hope for some good news in our attempt to sort out that difficult situation.

There has been £50 million-worth of investment in Southend in the past 10 years. The annual day visitor market is estimated at more 3 million. There has been increased film and television coverage of the town, some of which I do not welcome. For 14 years the chattering classes used to take the mickey out of my previous constituency. One or two television companies seem keen to come to Southend to show a few elements that are best not broadcast to the wider public. We welcome all visitors to the town, but under no circumstances do we welcome yobs or drug pushers, as all Members of Parliament would make plain. It is a shame that some television companies and a few other people appear to want to advertise the worst elements of the town.

Southend's marketing division won the British Resorts Association *Daily Mirror* trophy for the best brochure cover in 1999. I am not surprised—it has a fantastic cover with photographs of a crowd of models. Anyone reading it would ask, "Why did I go to Tuscany for my holiday last year when Southend looks so fantastic?"

Peter Pan's playground is every bit as good as Disneyland and has had more than 1.5 million visitors. I pay tribute to Philip Miller, who is an amazing entrepreneur. He has just taken over the Sea Life environmental centre in Southend. I am keen on tropical

[Mr. David Amess]

and marine fish and am delighted to tell the House that the centre is now breeding many species of sea horses from all over the world. In two weeks' time I shall visit the Chelsea flower show. Southend always enters the flower show and was a world finalist in 1999. The Southend air show is the largest free event in the country. Last year I stood at the air show with the mayor and my wife. In the sky we saw the Utterly Butterly light aircraft. My wife and the mayor wanted to go up. So, Madam Deputy Speaker, when you and I were in Kenya, my wife and the then mayor were strapped to the front of the two light aircraft raising money for local charities. The town stages the biggest special events programme in the south-east and all sorts of other events take place there. The Cliffs pavilion offers a range of magnificent plays and shows. The Palace theatre is wonderful, and Southend has many other activities.

How can the Government help? First, they can help with transport. Southend badly needs an east-west road link to free some of the traffic. It badly needs help with the pier—as the Minister knows, our lottery bid was turned down—and we should like help with our ambitious hovercraft plans. Finally, anything that could be done to help with the dredging of the creek would be welcome.

I hope that I have convinced everyone that Southend is a place worth visiting and living in. I am very proud of the part of the town that I represent and I hope that the Minister will do everything she can to help the promotion of tourism and leisure in Southend.

12.19 pm

The Minister for Tourism, Film and Broadcasting (Janet Anderson): The hon. Member for Southend, West (Mr. Amess) is clearly as good an ambassador and spokesperson for Southend as he was for his constituency in a previous incarnation, which we remember well. There was hardly any aspect of Southend life that he did not mention. He managed, too, to get in a reference to the Chelsea flower show; his skills in the House are undiminished.

The hon. Gentleman clearly understands the potential of tourism and its importance to his constituency. The Government also understand it very well—when the Prime Minister gave me this job, the first thing that I did was reverse the order of my title so that Minister for Tourism came first. That was a small gesture, but it shows that the Government understand the importance of tourism to local economies throughout the country and to the national economy. Tourism's national contribution to the economy is about £63 billion a year. It employs 1.75 million people and is the fastest-growing industry in the world. We want to ensure that everyone has a fair share of it and I know that the hon. Gentleman will do what he can to ensure that people in Southend, especially in his constituency, will be included.

The hon. Gentleman referred to the Conservative policy document on tourism called "Tourism Today". I like to think that the Government's strategy document was more far sighted, because we called it "Tomorrow's Tourism". As the hon. Gentleman said, one of the challenges is to keep up with changing consumer demand; the days when families went to the seaside for a fortnight's annual holiday have long since gone. The hon. Gentleman mentioned that the number of day visitors to Southend is about 3 million. Places such as Southend have to meet the demands of day visitors and appeal to people taking short breaks.

"Tomorrow's Tourism" was the first comprehensive tourism strategy produced by a Government. As the hon. Gentleman said, without a strategy, how can success be measured? We have already made substantial progress in reaching the target set out in "Tomorrow's Tourism". Last July, we launched the new English Tourism Council to replace the English Tourist Board, because a leaner, more strategic body was required to guide the industry in England and to carry out research into changing customer demand and other matters. It will focus on top-quality research, market forecasting, the collection and use of key information, the spread of innovation and best practice, promoting quality and developing a strategy on sustainable tourism and wider access. If I have time later I shall refer to some of the excellent practices that have been established in Southend.

The ETC has already made an excellent start; with its partners the AA and the RAC, it launched a new national accommodation scheme last September. We are determined to increase the voluntary take-up of that scheme and I am pleased that the local authority in Southend has a marketing policy of advertising only the quality-assured properties in that scheme. Visitors to Southend and other resorts will return again and again only if they can be assured of a good experience and value for money. That is what we want to encourage. I congratulate Southend on having an above-average membership of the national accommodation grading scheme.

The hon. Gentleman raised anxieties about asylum seekers. I am pleased that the Minister of State, Home Department, my hon. Friend the Member for Hornsey and Wood Green (Mrs. Roche), is today visiting Southend to see the situation for herself. Many of the points raised by the hon. Gentleman are matters for other Government Departments. The problem has implications for the tourist industry and seaside resorts such as Southend. In such cases we take every opportunity to make our views plain to other Government Departments. I have already had many helpful meetings with my hon. Friend the Minister of State, Home Office and some other colleagues who represent seaside resorts. The Government are doing their best to ensure that asylum seekers are dispersed only to places where there is not only available accommodation, but appropriate social and community support and educational and employment opportunities.

The English Tourism Council has set up a number of taskforces that will report towards the end of the year on tourism trends, transport, sustainability and resort regeneration. I am sure that Southend will have an interest in its recommendations. Indeed, the experience of places such as Southend will have informed those deliberations. Seaside resorts still represent an important sector of our domestic holiday market, but despite their continued wide appeal, many are finding it hard to adapt to significant changes in holiday trends. Ultimately, it is up to the individual resorts to devise

sensible regeneration plans. The hon. Gentleman mentioned that £50 million had been invested in Southend. Obviously all the players in Southend understand the importance of that.

I congratulate Southend on taking advantage of its good rail connections to continue to attract large numbers of day visitors. As the hon. Gentleman said, it is the closest seaside town to London, which is a huge attraction. I also commend it for not resting on its laurels. I have never visited Southend, but I should like to take up the hon. Gentleman's invitation. I look forward to the cream teas and the seafood. He tells me that the shopping at Leigh is wonderful. Rossi's and Tomassi's ice cream sound extremely good. I wish the new owner of the Sea Life centre good luck with his venture. Sea Life centres have been finding things relatively difficult recently and I hope that he can turn it around for the benefit of Southend.

I agree that it is a great pity not to ensure that the longest pier in the world is utilised to its full potential. I wish Southend the best of luck with any further applications to the heritage lottery fund. The hon. Gentleman said that there was nothing that I could do about that, but there is something that might be helpful. My officials have arranged with the British Resorts Association that its conference in Eastbourne in June will include a session with some of the lottery distributors, including the heritage lottery fund.

I hope that will help to emphasise to the lottery distributors the important needs of seaside towns, which have particular infrastructure problems such as piers and promenades that are not found elsewhere.

I hope that that I have reassured the hon. Gentleman that resort regeneration is one of the Government's priorities. We have made a lot of progress already. As he knows from a conversation that we had outside the Chamber, my Department made strong representations to try to ensure that the needs of seaside towns were recognised on the objective 2 map. I am sorry and I understand the hon. Gentleman's concern that the two wards in his constituency that were on the original map were not accepted by the European Commission. He will know that that is ultimately a matter for the Commission. If it is any consolation to him, four wards in my constituency were removed from the revised map, too.

Many resorts are included and I am pleased to say that Southend is in one of the new enterprise grant areas that offer opportunities to smaller businesses. That helps to illustrate the progress that has been made in the first year since the publication of "Tomorrow's Tourism". That was just a springboard. It was not a one-off exercise. We intend to keep in constant touch with the needs of the industry. I am grateful to the hon. Gentleman for telling us about Southend's needs. I will do all that I can to press the case for the projects he has mentioned—the hovercraft, dredging the creek, the east-west road link—with my colleagues in other Departments.

Finally, I congratulate the hon. Member on the way he speaks up for his constituency. His constituents should be proud to have him as their representative.

Privatised Utilities (The Wrekin)

12.30 pm

Mr. Peter Bradley (The Wrekin): I am grateful for the opportunity to draw attention to the experiences of two communities in my constituency at the hands of privatised utilities. I am confident that in raising these matters I am speaking for thousands of communities, both rural and urban, up and down the country. Their needs have been neglected, their interests have been ignored or undermined and their environment and quality of life have too often been damaged and degraded. The two local examples are important for that reason. Through them I am raising issues of national importance.

I hope that the debate will lead to an acceleration of redress for the community of Hadley in the urban part of my constituency and of Preston upon the Weald Moors in the rural part. I also hope my hon. Friend the Minister will promise to close the loopholes in the permitted development system that enable utilities to ride roughshod over local communities. Perhaps he will go further and impose an obligation on utilities to provide the public services and fulfil the social responsibilities that they have jettisoned—as the high street banks have—in the single-minded pursuit of profit. That is long overdue and would be extremely popular. The privatised utilities would have no one but themselves to blame if tougher regulation were imposed on them.

I have raised the epic saga of the Hadley pylon before in the House. I am grateful to successive Ministers for the support they have given to the residents of Hadley Park road and Wheatley crescent and the indefatigable members of the Hadley pylon action group.

In November 1997, the Midland Electricity Board, acting for the private developer Cofton Land and Property, undertook to underground—which is a verb I have learned in the course of these events—cables beneath a proposed housing development. Cofton Land and Property's intention was to enhance the amenity of the residents of that new estate and to increase the number and value of properties that could be built on the site and thus the profitability of the scheme. The work necessitated the erection of a new pylon in roughly the same position as an existing one. The local residents may not have come to love the old pylon, but they had become used to it. The new pylon presented a different aspect. Looking out of the back windows of properties on Hadley Park road and Wheatley crescent was like being confronted by one of the monsters from H. G. Wells's "War of the Worlds". The morning after the new pylon was erected, someone waking up and opening the curtains would have thought that the Martians had landed.

The works were not undertaken for any environmental benefit, but purely for commercial reasons—to facilitate the development of 300 homes for sale—and at the expense of the existing community. The method of undergrounding was a reserved matter in the original planning consent for the development. Despite an obligation to do so, the MEB made no application under section 37 of the Electricity Act 1989 to take down one pylon and erect another. It did not consult the local community or initiate any negotiations with the local planning authority, Telford and Wrekin council. The MEB has claimed that it was not obliged to make an application or to consult, because the new pylon occupied

[Mr. Peter Bradley]

the same space as the old one and, under the regulations, was therefore technically exempt from the process. That was simply one of many fabrications and untruths promulgated by MEB throughout this long and sorry story. It was disproved in May 1998, when the ever-resourceful and energetic members of the Hadley pylon action group secured—by what means I cannot say—a JCB digger and managed to excavate the foundations of the original pylon.

Faced with such incontrovertible evidence, MEB was finally obliged in July 1998 to concede that the pylon had moved. For Telford and Wrekin council—and, more to the point, the Department of Trade and Industry—that meant that MEB had been wrong not to apply for consent to move the pylon. In August 1998, 18 months after the works were undertaken, the DTI wrote to MEB expressing its "dim view" of the company's conduct and pressing for prompt retrospective action. As I mentioned, fabrication has regrettably played a greater part in the story than I should have liked. Delay has been another feature of the MEB's conduct. It has held the community, the local authority and, latterly, the Department of Trade and Industry, in utter contempt.

On 27 October, despite the plea from the DTI for prompt retrospective action, MEB refused to make the application that the DTI was urging it to make. In November, the DTI expressed "deep disappointment" at that decision. In February 1999, two years after the unlawful action, the DTI was obliged to threaten prosecution. It was pointed out to me that this would be only the second prosecution of its kind in 10 years. On 22 February last year, MEB promised that it would submit an application, but by July it had still not submitted to the council the background information and the detailed drawings and specifications that would make the application valid.

In October 1999, after showing extraordinary forbearance and patience, the council took the matter to an emergency committee meeting and rejected the application in favour of a public inquiry. Seven months later, MEB, now known as GPU Power Distribution, has threatened to move the pylon back to its original position. I use the word "threatened" because, far from seeking to appease residents, the company has made it clear that such a move would mean the compulsory purchase of part of their gardens. I mentioned the contempt in which MEB has held the local community and those who represent it in the past two years; that is the icing on the cake.

That cynicism is not atypical of the behaviour of MEB in my constituency and elsewhere—or of many other privatised utilities. The public inquiry that the DTI has now confirmed will take place will be of national significance. That is why MEB has resisted for so long. It knows that much will hang on the decision made at the inquiry. The current state of permitted development rights will be called into question. Those rights were referred to early in 1998 in a consultation document from the Department of the Environment, Transport and the Regions, called "The Use of Permitted Development Rights by Statutory Undertakers". That document stated:

> PDRs are supposed to simplify procedure and hence remove administrative and procedural burdens from statutory undertakers in delivering their services.

The phrase "in delivering their services" is the critical one. I do not dispute the value of exemptions from the unwieldy and often lengthy planning process and related processes; nor do I dispute that statutory undertakers should have recourse to those exemptions, if they use them to provide essential services—such as gas, electricity, water or sewerage—to communities. However, those rights were not intended to facilitate commercial transactions between private companies pursuing profit at the public's expense, as has happened in this case. They were not intended to allow utilities to circumvent local authority controls in order to avoid their responsibilities and to make maximum profit at minimum cost. That is what happened in Hadley; MEB used its exemptions not to provide power, but to pursue a purely commercial transaction to facilitate a private development. I believe that that is an improper use of permitted development rights.

I hope that the Government will now act to ensure that new guidelines are issued to utilities and to local authorities. Those guidelines should make it clear that permitted development rights are to be used in future only in order to secure public services and public benefit, and that even then they should be exercised only under proper scrutiny and control by the local authorities. I hope that Ministers will also take the opportunity to review the compulsory purchase powers of the utilities. I believe that MEB has behaved disgracefully. The fact that the issue has come not just to local but to national notice is a credit to the Hadley pylon action group and its extraordinary efforts over the past two and more years. That applies especially to Ann West and Sandra Hodnett, who regularly attend my surgery and whom I confidently expect to see this Friday. They will not give up and neither will I. We are encouraged by the support that we have received from the Department of Trade and Industry and we hope to receive more, not just for the benefit of people in Hadley, but for the benefit of communities throughout the country that have suffered similar outrages. We confidently await the public inquiry, as we know that we have strong case.

The second issue that I want to raise concerns my constituents in Preston upon the Weald Moors—a small village just five miles or so from the major new town of Telford. Like thousands of settlements throughout rural Britain, the village does not have mains sewerage. Many such villages do not have access to electricity or gas—indeed, Preston does not have the benefit of a speed limit either. In this day and age, it is extraordinary that villages so close to major conurbations do not have the benefit of the essential services that so many of us take for granted.

In October 1998, following a visit that I had paid to Preston in the previous year, during which residents told me of their concerns about the lack of mains sewerage, and after protracted correspondence with Severn Trent Water, I received a letter from Mr. Robin Alexander. The letter was concise and to the point. It stated that

> approval has been given to a sewerage scheme which will improve the drainage of both Kynnersley—
>
> a neighbouring village—
>
> and Preston on the Weald Moors.

It gave no qualification. It made it clear that the works would be undertaken. In subsequent correspondence, I was told that work would be under way early in 2000 and that it would be completed at the end of this summer.

A year later, in October 1999, I received a letter from no less a person than the managing director of Severn Trent Water, Mr. Brian Duckworth. He, too, put in writing the same assurance. The letter stated:

> I can also confirm that the Preston and Kynnersley project remains in our programme.

A few months later, in March this year, I was informed that the Preston scheme had been dropped altogether and that the Kynnersley scheme, which remained in the programme, was now unscheduled.

Those decisions were not made on the basis of the needs of the people in Preston upon the Weald Moors. Of the 37 households that responded to a questionnaire, 30 said that they were in favour of connection to mains sewerage and that they would be prepared to pay their connection charges. It is not that there is no physical need for a sewerage system in Preston; some of the septic tanks that are used by many of the householders are now leaking and could constitute a health hazard. A primary school in the village has similar problems. If the managing director of Severn Trent is to be believed, the reason for the scheme being dropped from the programme, despite the pledges that were made, is that Severn Trent Water is a company that is going down the plughole. Last year, Ofwat required a 14.1 per cent. reduction in the charges that it imposes on consumers. In a letter to me, Brian Duckworth said that Ofwat's long overdue initiative had imposed

> very severe reductions in our income and consequently in our ability to fund capital projects.

That comment is from a company that, since privatisation, has imposed on householders a 90 per cent. increase in charges, has paid its shareholders more than £2 billion in dividends and has handed massive bonuses to its directors. In the past few months, it has announced 1,100 redundancies to add to the 2,500 redundancies suffered since privatisation by the men and women who worked for Severn Trent Water and secured its profits. The company never has to suffer, nor must it ever foot the bill—that is always for the consumer and the employee.

The situation provides the clearest evidence that, when privatisation is accompanied by inadequate regulation, there is cash on tap for the directors and shareholders of the privatised utilities—here, Severn Trent Water—and the service goes down the drain for the consumer. The previous Government were responsible for the disaster; I hope that the present one will take steps to make amends. As I said, it is disgraceful that rural communities should be expected to live without mains services in the 21st century. That is why, when the rural group of Labour MPs, which I chair, published its "Manifesto for Rural Britain" last month, it called for an obligation to be placed on the utilities to develop scheduled programmes of connection, with costs approved by the regulator, which would be affordable to consumers. That would enable isolated communities in the countryside to join the 21st century.

The people in the Preston upon the Weald Moors and Kynnersley case ought not to have to await action from the Government or from the regulator. Severn Trent Water made a cast-iron pledge to them in writing to their local Member of Parliament. I expect the company to honour its obligation and to recognise that it has a social responsibility to fulfil.

Severn Trent Water might think that it is up against a small community that does not have the resources or the resolve to challenge it. That view would be wrong—the residents of Preston upon the Weald Moors and Kynnersley are no less likely than the residents of Hadley to take this matter lying down. The villages may be small, but the residents will make a big fuss. I will do what I can to help them. I am grateful to the regional division of Ofwat and to its chairman, Clive Wilkinson, who has written to the company, making clear the regulator's position. He said:

> As a company of integrity that expressly sets out its desire to be customer orientated and provides high quality service we therefore expect schemes to be completed as promised during the current financial year.

Unfortunately, Ofwat's powers are limited in the matter. That is why I and the people of Preston upon the Weald Moors and of so many other communities in similar positions look to the Government to ensure that the utilities recognise, or are made to recognise, their responsibilities and that they live up to them. I have no problem with private profit or with utilities making their margin. However, I want that private profit to work in the public interest.

As I have said before, these issues will resonate in communities throughout the country. I hope that the Minister will recognise not only the importance of the problems to which I have referred, but the urgency of providing solutions to them.

12.48 pm

The Minister for Competition and Consumer Affairs (Dr. Kim Howells): I congratulate my hon. Friend the Member for The Wrekin (Mr. Bradley) on securing the debate. My Department is aware of the keen interest that he has shown in representing his constituency on the matters raised and in attempting to resolve the matter of the Hadley pylon. Before I proceed, I should tell my hon. Friend that responsibility for the behaviour of Severn Trent Water with regard to sewerage lies with the Department of the Environment, Transport and the Regions. If he wishes me to pass on to the relevant Ministers the evidence that he has quoted today, I will gladly do so. However, I cannot speak for that Department on the subject of connection to mains sewerage, important though the matter is.

I shall deal with the Hadley pylon. As my hon. Friend informed us, the story started about 26 months ago. In March 1998, the Department was alerted to a change sought by Midlands Electricity to a steel pylon off Hadley Park road in Telford—a change that caused great concern to local residents. It emerged that the work that the company wished to undertake breached the statutory planning regime. Although the regime makes provision for minor works to be carried out without planning permission or further Electricity Act consent being needed, that applies only within certain specifications as set out in regulations. In the present case, the Department concluded that the company had breached the requirements, and it wrote to Midlands Electricity in August 1998 to express its view and to ask the company to take prompt action to remedy the situation.

It is only right that companies should have the opportunity to reflect on the legal aspects of the Department's view and to make further representations.

[Dr. Kim Howells]

Breaches of statutory regimes are a serious matter and can lead to criminal prosecution. For that reason, although the Department will rigorously pursue alleged breaches in order to protect the credibility and integrity of the regime, it is far better for matters to be resolved constructively than for them to degenerate, with companies taking an entrenched and antagonistic position. As my hon. Friend told us, such breaches are rare. The Department has seldom had to take the extreme measure of prosecuting an electricity company. Indeed, as my hon. Friend said, only once during the past 10 years has the Department had to take an electricity company to court over a breach of the statutory consent regime. As my Department deals with up to 1,000 cases a year, that is a rare occurrence.

The Hadley pylon is exceptional, although I take to heart the general lessons that my hon. Friend draws from it. I realise that it may be no comfort to the local residents, who are frustrated at the apparent lack of action, but the Department has quietly and persistently moved matters forward. In March 1999, the company submitted a section 37 application, which was the Department's preferred course of action. The Department actively ensured that adequate information was made available by the applicant company, so that, after consulting the company and interested local parties, the local planning authority could come to a view.

It is a requirement of the section 37 process that a local planning authority, which represents the local perspective and has a detailed knowledge of the locality, should be able to give the Secretary of State a considered view. That the local planning authority has now done, following further discussions with Midlands Electricity—or GPU Power Distribution, as it is now known. The authority confirmed its earlier objection. The local authority wrote as recently as April asking for a public inquiry to be held. The ball is now in the Department's court. Unless material developments occur to resolve the matter, a public inquiry will be held. That statutory regime is specific: if the local planning authority objects and if, after discussion with the applicant, it does not withdraw its objection, the Secretary of State must hold a public inquiry. I believe that the objection has not been withdrawn.

I can understand that my hon. Friend and his constituents might feel frustrated by the protracted procedure, but it is obviously preferable to try to reach an agreed solution, rather than to have one imposed without time to reflect on the consequences. Public inquiries can be lengthy and costly, and without any guaranteed outcome. In our experience, this is an exceptional situation, which must be considered in the context of the Department's responsibilities for up to 1,000 overhead line applications a year, the majority of which are determined without a public inquiry.

In the few remaining minutes, I want to deal with my hon. Friend's comments about the overhead line regime in general. I am aware that experience may lead to calls for the regulations—whereby electricity companies can carry out works without requiring specific planning permission—to be revoked. Those regulations were put in place for reasons that remain perfectly sound. Like any installation, an overhead line will, in order to continue reliably and safely in service, need repair, refurbishment, modification or reconstruction. The extent of that work will inevitably vary.

Although the regulations provide for operational changes such as the installation of a temporary line while the permanent line is refurbished and the replacement of any existing line subject to specified limitations, there is inherent power in any existing consent to effect necessary repairs and improvements, provided that the appearance of the line is not materially altered. The relaxations specified in the regulations do not apply in specially designated areas and, for some changes, the company would need to obtain clearance from the local planning authority, which could require full planning permission to be sought.

When the regulations were introduced in 1990, wide consultation took place with electricity companies and local planning authorities, the outcome of which was reflected in the regulations. The regulations have been in force for some 10 years now without any evidence of fundamental problems. As I have said before, this case is exceptional, and despite my hon. Friend's most eloquent plea, the Department doubts whether it is appropriate to launch a major rethink without evidence that the regulations are not operating effectively. That is not to diminish the impact of the situation that my hon. Friend described, which is serious, but we do not believe that it necessitates a major rethink.

I am well aware that the view is often expressed that overhead lines should be put underground. However, there is no getting away from the fact that underground lines are significantly more expensive—at high voltage, in the order of 10 to 20 times more expensive. Ignoring for the moment the fact that underground cables are not without operational problems—they can take longer to repair, are less reliable and might not be suitable for all locations—the issue remains of who will pay for them. The wires businesses of companies are regulated businesses, which operate under price controls. My hon. Friend mentioned the fact that Severn Trent Water is in great difficulty as a result of price caps imposed by the water regulator, Ian Byatt. Price caps have also been imposed on the regulated parts of electricity companies' businesses, and, in many cases, they are stringent.

Companies cannot underground at will, and they would inevitably try to pass on the cost to consumers, both domestic and commercial. Those costs could be substantial. For example, it was estimated in the early 1990s that it would cost £100 billion to underground the whole system, which demonstrates the sheer magnitude of the situation. Developments in technology are unlikely to provide any immediate help in offsetting the cost differential. All that suggests that a sensible case-by-case approach must be adopted.

We have discussed a very difficult case, of which I assure my hon. Friend the Department is well aware. Unless the local authority produces new evidence, a proper public inquiry will be held. I know that my hon. Friend has pressed for that. He has represented his constituency well in that respect and his constituents must be proud of him.

It being One o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 10 May 2000

[MR. MICHAEL J. MARTIN *in the Chair*]

Cosmetic Surgery

Motion made, and Question proposed, That the sitting be now adjourned.—[*Mrs. McGuire.*]

9.30 am

Ann Clwyd (Cynon Valley): I am grateful to have secured this debate, because it is a subject on which I have campaigned for a long time. I first introduced a ten-minute Bill on the regulation of cosmetic surgery in 1994. My interest started because one of my constituents had had silicon implants that had gone wrong, and as a result she had to have a double mastectomy, which left her feeling shattered. That ten-minute Bill generated considerable publicity. I was invited to appear on many programmes and to campaign with consumer organisations, such as *Which?*, and with the BBC programme "Watchdog", among others, which by then had had letters and telephone calls from innumerable people, mainly women, who had had problems with cosmetic surgery that had gone wrong.

Many of us have at some time in our lives wanted to change something about ourselves, perhaps the nose, the bags under the eyes or the spare tyre, because something about our bodies has not pleased us. I do not believe that anyone in this Chamber could say that they would not like to change something about themselves. For some people it becomes almost an obsession. Pressure is put on women in particular, but increasingly on men, too, to change their appearances, suggesting that they will have a better sex life, be more attractive to the opposite sex or simply feel better about themselves if they have some kind of cosmetic surgery.

In 1994, about 60,000 people had private cosmetic surgery. It is difficult to say exactly what the figure will be for 2000, but I suspect that more than 100,000 people a year request private cosmetic surgery, most of which is carried out in private clinics. I was tempted to bring the drawers of material in my filing cabinets to show how many people have written to me over the years on some aspect of cosmetic surgery.

My interest in cosmetic surgery began with silicon implants. I was contacted by many people who suspected that silicon had somehow leaked into their bodies. Having had silicon implants in their lips, faces, breasts or buttocks, they believed that the silicon had started to make them ill. I took various deputations to the Department of Health to try to persuade it to investigate silicon implants, but those pleas fell on deaf ears. It was not until July 1998, under the present Government, that the independent review body on silicon breast implants presented its recommendations to Parliament, a move which I welcomed. Previously, people did not even know how many silicon implants had been carried out in this country. There was no register or follow-up, and that work desperately needed to be done. As a result of that work, the Royal College of Surgeons agreed to develop multi-disciplinary clinical standards for breast implant surgery. The Department of Health accepted the recommendations of that review group on the compulsory registration of details of each breast implant and removal with the national breast implant registry. That was an important step forward.

The other aspect of cosmetic surgery on which I am still campaigning is laser surgery, which is offered almost exclusively by the private sector. There are no regulations for the training of doctors who work in private clinics, and no regulations to prevent a doctor in private practice who does not have specific experience from offering treatment. Some eye surgeons in Harley street and at Moorfields eye hospital contacted me about a year ago to say that they were concerned that there was nothing to prevent someone from setting up a business without a medical background, and that problems were often glossed over. Although many thousands of laser treatments on eyes are performed with few long-term complications, a small but significant number result in permanent damage to eyesight. That must concern us all.

Private sector clinics offer many procedures and people spend millions of pounds on cosmetic surgery. Although plastic surgery in the national health service is generally safe, the NHS has no time to perform cosmetic surgery. It spends its time for such surgery on people with medical needs, such as burns victims, cancer patients and those with limb deformities.

I remember a press conference that Sir Norman Browse, a former president of the Royal College of Surgeons, and I gave in the House of Commons a few years ago. It is not often that the president of that body emerges to give such a conference with a politician, but he said that he was concerned that too many people could set up shop as cosmetic surgeons with no qualifications. Unless they specifically claim to be doctors or surgeons, they do not even commit an offence. As soon as the so-called surgeons have the patient's consent, they can legally operate without any expertise whatever.

Horrifying though it may sound, Ministers could perform liposculpture in a private clinic, so long as they did not tell lies about their qualifications. That would be legal. Sir Norman Browse said at the press conference that animals were better protected in Britain than people because one had to be a qualified veterinary surgeon to operate on an animal. To do so without that qualification is to break the law. But a veterinary surgeon could operate on someone in a private cosmetic clinic without being taken to task.

Far too many butchers practise in some clinics. Repair of botched surgery can be time consuming, expensive and embarrassing to the person involved. It sometimes has to be done on the NHS and can cost as much as £10,000. There may be a long wait for surgery, especially as the disfigurements, though nasty to look at, are not life threatening.

Many of the clinics get a lot of business from advertising in national newspapers and women's magazines, in which they often use misleading images. I have had correspondence with the Advertising Standards Authority, which has tightened up the regulations a little, but not enough. The advertisements make claims such as "Walk in, walk out", "Gentle

[Ann Clwyd]

surgery", "Looks you always desired", or suggest that to change one's whole outlook on life one should have a particular type of cosmetic surgery.

I looked at some of the ads in some current magazines last night, and there are pages of them. One states:

Cosmetic surgery with the gentle touch. The Lanark Centre is owned and run by medical experts, specialists in their chosen branch of cosmetic surgery. We believe in a caring, holistic approach—ensuring you complete peace of mind as well as giving you the body you want.

Others offer a wide range of treatments, stating:

Consultations with our highly experienced FRCS surgeons are FREE. Breast enlargement, breast reduction, breast uplift, classical facelift, mini facelift, chin tuck, neck lift, eye improvement, nose refinement, fat removal, ear correction, tummy tuck

and so on.

Cindy Jackson is an example of the extravagant claims made in those advertisements. I remember her because she sat in the audience at some of our press conferences. She is described as

a walking advertisement for cosmetic surgery.

She says:

I am over 40, but after extensive cosmetic surgery, I look better than I did at 21. My exceptional results have attracted worldwide acclaim. Now others benefit from my unequalled knowledge and firsthand experience. No one need repeat the same mistakes I made at the beginning due to lack of *realistic* information, or have to learn, as I did, by trial and error.

She offers a

Guide to Cosmetic Surgery, unique personal Video and much more.

The adverts go on and on. "Specialist in figure re-shaping", one of them says. It is accompanied by various sketches of before and after, showing soft liposculpture. One says:

Dieting or sports takes time. With soft-liposculpture we will permanently remove the fat excess where you need to (thighs, knees, stomach, bottom, arms . . .) and sculpt your new silhouette.

I mentioned Cindy Jackson and liposculpture for a particular reason. Today, I spoke to Toni Rust who, in a letter to me last year, said:

I have made countless inquiries to different organisations to find out if there are any support groups for Cosmetic Surgery patients and apparently there is not, but there is a desperate need for this kind of support and advice network.

I know only too well about bad cosmetic surgery.

She went to have the bags under her eyes that she had had since she was a teenager removed. She said that she had

undergone an upper and lower blepharoplasty which has left me disfigured and scarred and with eyes which do not close. My eyes are also extremely uncomfortable, and it is 18 months since I had my operation. I thought that I had gone down the right route to finding a good cosmetic surgeon, having contacted The Cosmetic Surgery Network, a business run by Ms Cindy Jackson. I did not know at the time that she was either working for or with the surgeon Edward Latimer-Sayer who had done most of her surgery. I believed that her Network was independent.

The advert in question was clearly misleading.

I asked Toni Rust whether I could quote her letter today. She said that I could, because there were hundreds of women with the same concerns as herself. She said:

Of the people I have been in contact with so far who have had bad cosmetic surgery, their stories are a mirror image of each other. This is not only from the physical disfigurement and emotional turmoil that they find themselves in but because of their surgeon's comments. The words: it has never happened before; it is just the way you are healing; you must give it time; I can't see anything wrong; it looks alright to me; cosmetic surgery is not a 100 per cent. science. They have got an answer for everything and at first you believe them because you do not like to disagree with your surgeon. You were originally in awe of them, you respected them, but gradually you come to realize that they are not all in the same category and that there are some very unscrupulous so called surgeons out there, unskilled and unashamed . . . I just wish that I had known 18 months ago what I know now. If I had known, then I would not have been "butchered" by an unskilled and irresponsible surgeon. I need to share this information, the same as the other people who have contacted me to try and stop this happening to others.

I looked up two cuttings, one of which, dated 20 April from *The Guardian*, is headed "Model wins £93,000 for ruined looks." The article states:

A former male model who claimed his looks were ruined by inappropriate cosmetic surgery, yesterday won damages totalling £93,000 at the high court in London. Mark Russell, 36, had sued Harley Medical Centre Ltd. and the surgeon, Alan Kingdon, over liposuction he received at the Harley Street clinic in 1989...The defendants admitted failing to give proper advice, warning or counselling about the likely outcome of such treatment and that the surgery was wholly inappropriate and unnecessary.

Another cutting, which appeared in *The Daily Telegraph* on 28 January, was written by that paper's medical correspondent. It states:

This week, a coroner gave warning of the dangers faced by women who consent to non-essential cosmetic operations. He was commenting after the death of Lorraine Bull, 36, who had scraped and saved for a £5,500 operation to remove 3lb of saggy tummy fat after having caesarean section. She was determined to have the routine "tummy tuck", which was carried out at an independent hospital, but her death raises, once gain, the question of how fully women—and men for that matter—understand that all surgery can have complications, sometimes with devastating consequences.

So much of the advertising is totally misleading, because it does not give the impression that there is any danger in carrying out these procedures.

Christine Doyle, the medical correspondent, continues:

It seems so simple to lift the face or shift some fat, blast wrinkles with a laser, inflate lips to perfect pouts and breasts to seductive perfection, slim the ankles and resculpt the tummy and thighs . . . Anyone can be young and beautiful. Just sign the consent form and write the cheque.

Many more men are now having cosmetic surgery, because of competition for a jobs in an ageist society. People go to job interviews and are told that they are too old—as was my researcher at the age of 35. One article states:

Job competition and the desire to attract younger women can lead tired men to opt for invisible upper and lower eyelid snips, removal of frown lines, and a touch of jowl tightening. Entertainers are regular customers.

It does not mention politicians.

Another case that I drew to the attention of *Which?* was that of a woman called Joyce. She had seen a lot of adverts for liposculpture, and was so impressed with their claims that she felt sure it would give her the figure that she dreamt of. She contacted a private clinic, whose promotional leaflet said that liposculpture was a straightforward and minor operation. She agreed to pay

£2,500 to have liposculpture to her knees, thighs and hips in two stages. She was awake throughout the two-hour operation. She believed that the local anaesthetic must have worn off after 45 minutes, as the pain was intense. She went home the same day, her legs in blood-stained bandages. She got little advice after the operation and ended up having to take two weeks off work. She was supposed to have follow-up appointments but they did not occur. Her left knee still has a large flap of overhanging fat and is a completely different shape from her right knee. She had many lumps, bumps and pits on her legs. Needless to say, she was extremely disappointed with the results.

Such incidents are common. I heard from someone who was given liposculpture in a ground floor office in Harley street. She said:

> I think the operating table was a dental chair. They asked me to turn over onto my stomach, or my side, but the chair was the wrong shape and it was very difficult. At some stage during the operation I woke up. I was in tremendous pain and began screaming. They were still taking fat from my legs. The doctor told me afterwards that he had to continue with me awake or my legs would have been uneven.

The level of complaints, unless victims write to Members of Parliament, and so on, or talk to magazine and newspaper journalists, is low, because people are often acutely embarrassed. Filing a complaint is the last thing on their minds. One victim told me that when her surgery went wrong,

> It shattered my whole life and left me feeling suicidal.

Even if people do complain, they have to follow complex and potentially confusing procedures. To prosecute for negligence, one must sue the doctor involved. That is a costly and drawn out procedure, requiring a patient to draw attention to her disfigurement. Many people go to private cosmetic clinics without even telling their nearest relatives, so they are hardly likely to want to draw attention to what went wrong afterwards. I know one woman who could not bring herself to tell her family that she had spent £5,500 and ended up looking the way she did, so she made up a story about having been involved in a car crash. That is the level of embarrassment created by procedures that go wrong.

Some of the clinics and adverts are, as it were, selling body parts by mail order. The clinic surgeons often work on a commission, so the more operations they perform, the more money they pocket. One woman said:

> I was sitting in his office and he said to me, "Your under-eyes need doing also." I had never noticed any bags or sagging, but he had such a wonderful bedside manner, I thought to myself, "I must trust this man".

Newspaper and other reporters have gone to cosmetic clinics to investigate them; they are usually aged about 21 and in most people's eyes look perfect, with nothing wrong with their appearance. They go to those clinics, and the hard sell begins. One reporter told me it was incredible—it was as though they were totting up on a calculator, as fast as they could, what they could do.

I shall quote further from the letters that I have received. One woman spoke of

> unbearable pain during surgery . . . two scars on belly-button and on hips, and post-traumatic stress disorder

and another said:

> I suffered excruciating pain for more than a year

and referred to the results of her operation as a "disfigurement". Many women mention not just the physical but the psychological problems, for example a feeling of total isolation, encountered after botched surgery. Another woman said

> I felt so bad I eventually took an overdose. I really wanted to die.

Someone else said:

> I just wanted to die, which I did inside.

A Minister with responsibility for health in the previous Government repeatedly told me that he was not convinced that a case had been made to show that the existing controls were insufficient. Clearly, that is nonsense. A couple of months ago, I said in the Chamber that, unless some action was taken against a particular surgeon, I would name him in the House. I shall do so now, although he has now since been named on television. David Charles Herbert is a cosmetic surgeon, who works in the private cosmetic surgery industry. He has earned the nickname of the flying doctor for the speed at which he carries out his surgery and the brief time that he spends with patients, especially post-operative patients. Apparently, he performs 35 surgical procedures a week and carries out a face lift in only 40 minutes, which other surgeons say should take between two and four hours. He has operated from clinics in Huntingdon, Preston and Nottingham.

Over the years, David Herbert's work has generated a huge number of complaints, mainly from women. Allegedly, one woman nearly died after a bowel infection following a tummy tuck; one woman was left with a gaping hole in her stomach after a tummy tuck; and several women have had to have corrective surgery after David Herbert performed breast surgery. He performed a face lift without using enough anaesthetic. The list of allegations goes on. I could spend the entire morning repeating the list of complaints against him.

In 1986, Mr. Herbert was apparently asked to leave one hospital in Nottingham after the operating theatre staff refused to work with him. As far back as 1988, he was the subject of a BBC "Watchdog" exposé, which involved four alleged victims of his surgery. He did not sue the programme makers, but instead went to ground for a period. It has been alleged that Mr. Herbert often settles with patients out of court to avoid the bad publicity that would come with a court case. Several surgeons have also made serious observations about his work, describing it as verging on the psychopathic and crude, and describing him as a psychopath, saying that anyone with an ounce of moral integrity would not go around causing permanent disfigurement; that that is not how doctors act. It has also been said that he is careless and carries out bad, rushed surgery. It is rare for a doctor's colleagues to make such observations.

Mr. Herbert is still operating and my dossier of evidence about him is as gruesome as it is long. The BBC's Sally Chidgey first raised the allegations with the General Medical Council in November 1999. In January this year, she contacted me with a dossier from Mr. Herbert's patients and I then wrote to Finlay Scott, the chief executive of the GMC. On 2 February, I raised the matter in the House and I also forwarded the evidence to the Secretary of State for Health. In April, I received further witness statements from the BBC. Some 70

[Ann Clwyd]

complaints have now been made as a result of the programme about the surgeon. The slow progress made by the GMC and the fact that he is still continuing to operate prompted me to chase up both the Department and the GMC. The Government's chief medical officer, Professor Liam Donaldson, has sent all the evidence to the GMC asking for an urgent update on its investigations into Mr. Herbert.

I then contacted the GMC again and spoke to Isabel Nisbet, director of its fitness to practise directorate, for an update on progress. On 27 April she confirmed that the GMC would not try for a misconduct charge against Mr. Herbert because it would be too easy for him to get away with it, as he could bring witnesses– former patients—who could testify to his excellent surgery, skills, conduct and so on.

That seems a strange defence for an accused person. Supposing somebody being tried for murder brought 100 witnesses to the court to testify that, because he had not murdered them, he must be innocent of the one murder of which he was accused. The fact that Mr. Herbert may have performed some operations—perhaps many operations—satisfactorily is irrelevant. It is the cases and the evidence that we have, which allege that he performed badly, that matter.

What is more, the GMC says that, under the present law, it cannot suspend Mr. Herbert pending the outcome of the investigation. Therefore, the GMC has decided on the professional assessment option because it offers a better chance of a successful outcome in terms of making the charges stick and has apparently informed all the complainants of that fact.

The GMC wrote to Mr. Herbert on 25 April to say that it is minded to invite him for a professional assessment before two plastic surgeons and a lay person. He has until the end of May to reply with his comments. After that, provided that he does not appeal against an assessment, he will be assessed and, if he fails, he will be suspended for a period or have conditions set on his work or his employment. The danger with that option is that Mr. Herbert could have a good day and pass the assessment with flying colours, in which case he would be free to carry on, in many cases, unfortunately, disfiguring patients for life. To judge by his past record, the likelihood is that he will avoid a showdown with the GMC and go into retirement.

In view of what my right hon. Friend the Secretary of State said earlier this year in the Chamber about the GMC's performance, that is a totally inadequate response to the information supplied to it, nor is it new information. Apparently, it had previously received complaints about Mr. Herbert. In the meantime, he has been allowed to carry on regardless.

This morning, I heard from Toni Rust, whose letter I read earlier, that a friend of hers phoned the GMC as recently as January this year to ask for advice on which cosmetic surgeon to choose. She asked specifically about Mr. Herbert and was told that he was all right. No official register of cosmetic surgeons is kept by the GMC, but it can apparently supply information about the area of surgery in which a certain surgeon has trained. It is incredible that the situation has been allowed to go on for so long.

In answers to me, the Government have pointed to the safeguards that exist. The Registered Homes Act 1984 provides for the registration and inspection of private cosmetic surgery clinics by health authorities. I do not know how often such inspections are carried out, how vigorous they are, or what the results are.

I gave evidence to the Select Committee on Health, which published its report last year, giving it some of the information that I have collected since 1994. That Committee made all kinds of recommendations. A couple of months ago, the Under-Secretary of State for Health, my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart), said:

> We recognise that greater assurance for the public is needed about the safety and quality of the treatment being provided in this area. We therefore intend to introduce improved regulation of independent healthcare services . . . These measures are included in the provisions of our Care Standards Bill.—[*Official Report*, 1 February 2000; Vol. 343, c. 555W.]

I am pleased about that progress, but the Bill sets out only general principles; it does not contain any real detail about regulations and standards. I know that the Government are carrying out a consultation process with the aim of drawing up the regulatory and inspection framework criteria, but, as far as I know, no date has been set for the completion of that process.

A number of measures need to be implemented as soon as possible. The complaints procedure for patients must be improved. Patients need improved mechanisms for obtaining redress for their complaints. The position of the GMC should be reviewed. The medical profession regulates itself through the GMC, but it might be better for patients and the medical profession if an independent body were to be responsible for investigating complaints and disciplining doctors and surgeons. An independent disciplinary body must be given effective teeth. Pending a decision, people who are being investigated must be suspended; they must not be allowed to practise in the meantime. It is incredible that Mr. Herbert should continue to operate, given the seriousness of the complaints against him. I cannot think of any other profession that would allow that.

Can the NHS offer more cosmetic surgery? That is currently lacking. I understand that rationing is necessary, but it means that people are forced into the private sector. When the NHS has to correct the negligence or malpractice of private cosmetic surgeons, it should be able to reclaim the costs of that treatment from the private sector. In order to raise standards, everyone in the private sector who carries out plastic surgery should be made financially responsible for the outcome. If a patient has to have corrective surgery, those who carried out the original botched surgery should pay.

Patients must be better informed; they should not have to rely on advertisements. Sometimes even asking one's GP is not entirely satisfactory. There must be other methods of telling patients where they can get the best possible treatment in the private sector.

There should be a review of the training of cosmetic surgeons, with a view to establishing recognised specialist training and regular professional assessments. No doctor, surgeon, or any other person should be allowed to practise cosmetic surgery without formal training or accreditation in that specialty.

A mandatory peer review audit process should be introduced into the private sector. Regular scrutiny of surgeons' competence is undertaken by other doctors or surgeons. The surgeons who made the complaints against Mr. Herbert found it very difficult to make them formally to the GMC. We have those complaints on record, with the names attached.

I do not ask for all those matters to be dealt with immediately. However, if some of them could be addressed, it would give recognition to genuine competence and experience, while rooting out incompetence.

Someone suggested to me that for a patient to have complicated surgery practised on them by someone who is not experienced in cosmetic surgery is equivalent to boarding a jumbo jet and finding that the pilot has been trained only on a crop-spraying plane. I do not know whether that analogy is correct, but it gives an idea of the frustration and concern felt by many of the people who have written to me who have suffered physical damage.

I received a letter from a teacher—these letters are not from stupid women who do not think about what they are doing—who told me that, after reconstructive surgery on her nose, she cannot wear her glasses for more than half an hour because the side of her nose collapses. She has had two operations to try to rectify the problem, but it is still not right. Some women cannot close their eyes properly; some look as though they have been in a car crash; others have large indentations in their bodies. All these women have been promised many things by the advertisements. The Government have a responsibility to introduce the kind of regulation for cosmetic surgery that is long overdue.

10.11 am

Dr. Peter Brand (Isle of Wight): I congratulate the hon. Member for Cynon Valley (Ann Clwyd) on raising the issue and pointing out the need for the debate. The case histories that she has given clearly demonstrate that this is an important issue.

I should like to address the matter under three headings. The first is consumer protection. Someone who goes out into the marketplace to buy a service should be protected from incompetence, shady practice and over-promotion of a product. The second heading is medical competence. We have had illustrations to show that that is not always satisfactory. The third is medical ethics, which raises the question of whether it is appropriate to offer some of the surgery available.

The Health Committee has addressed the issue of private cosmetic surgery in two reports: one on the control of private medicine, the other on the unexpected and often disastrous outcomes of medical intervention. It is interesting that cosmetic surgery has provided the best examples of areas that lack regulation and consumer protection. I am glad that the Government have taken notice of those reports. When I questioned the previous Secretary of State on the matter, he said that it was a matter for the private sector, not for a Secretary of State for Health who was solely concerned with standards in the national health service. I am glad that there has been a change of mind on that matter, because the hon. Member for Cynon Valley has highlighted some important issues.

Consumers become quite confused about cosmetic surgery. We have been given illustrations of the hyped claims made for surgery outcomes: one will be more economically prosperous; one will get a better job and have a better sex life; one will be more interesting. In my experience, rather than becoming more interesting, people who have had a great deal of cosmetic surgery tend to become extraordinarily boring because their only topic of conversation is their surgery. It is frightening to read advertisements that present an idealised picture of the perfect human being that can be created. Those are not the kind of aspirations that should be encouraged. I am sorry to say that the Advertising Standards Authority has proved itself to be completely toothless. It receives many complaints and it has guidance on these matters, but it ignores that guidance more frequently than it adheres to it.

One of the main problems, from the consumer's point of view, involves the balance of accountability between the organisation that employs a surgeon and the surgeon himself. Discussions with a patient and those involved with advertising are conducted through the organisation or clinic. The person who is considering having cosmetic surgery has an appointment with a consultant, who is often a handsome lady in a white coat who probably trained on the Clinique counter in Boots rather than as a consultant in cosmetic surgery. There is no protection against the misleading use of the phrase "cosmetic consultant" in the circumstances that I describe.

Things may go right—if people pay their money and like the outcome, that is fine—but if things go wrong and a complaint is made against the clinic that took the cheque for the service that was provided, the clinic's usual response is to say that responsibility lies not with it but with the operating surgeon, who is contracted but not employed by it. Claims have to be made against the surgeon, not the clinic. That situation cannot be acceptable. People often do not realise that that is the case, and, not infrequently, they do not meet the surgeon before they pay their money. I shall discuss the Select Committee's recommendation in that regard later.

It is important for people to realise that no surgery is without risk. The basic issue in relation to cosmetic surgery is that there is no such thing as minor surgery, although there are minor surgeons. The General Medical Council has a specialist register, but it does not specify the specialism that the people on the register have. The GMC also resisted setting up a specialist register for cosmetic or plastic surgery—it relies on trade organisations and professional bodies to provide that service. That is confusing to the consumer because most people believe that the GMC's role is to maintain the standards of doctors who offer their services to the public.

I have a surgical qualification and I am a member of the Royal College of Surgeons, which probably qualifies me to remove a wart or an appendix, but that is about the extent of my surgical expertise. Having a surgical qualification and being a fellow of the Royal College of Surgeons demonstrates surgical expertise in a general field, but it does not demonstrate that someone has specialist training in a particular area. We have already established this morning that the results can be disastrous.

[Dr. Peter Brand]

Concerns have been expressed about silicone implants. I was concerned to have read during the weekend that much cadaveric material is now used in implants. People have dead donor tissue rather than silicone injected into their lips to make them more pouting. The situation is obscene: people donate their organs to save lives, but some of their bits are used for breast enhancements or for what I believe is called facial sculpting.

The Select Committee highlighted concerns about laser surgery, which can be extremely helpful. We should not fail to recognise that plastic and cosmetic surgery have an important role to play in the treatment of patients. It is totally justifiable to try to remove obscene tattoos inflicted on someone at the age of 16 who was drunk. It would improve his prospects for employment as, for example, a waiter, if he can have obscene language removed from his hands. I am pleased that laser treatment has something to offer and, if expertly done, can be effective and not very expensive. I echo the comments made by the hon. Member for Cynon Valley: the NHS should have a greater role, and we should not abandon people to the private sector.

The second issue relates to medical competence. The General Medical Council must get off the fence. It is essential that registers showing the specialism of the people listed be maintained. Ordinary members of the public should be able to go to the public library, look up the interests and expertise of the people on the list and see how competent and well trained they are in their particular field.

The third issue is one of medical ethics. Someone who is operating incompetently is behaving unethically. It is bizarre that, in the illustration used this morning, the General Medical Council has not taken a more active role, if only to protect the name of the surgeon concerned if he is innocent of what has been alleged. It seems extraordinary that such allegations can be made, without any action being taken. That is in no one's interests.

There are a number of outstanding issues. The Government have done a great deal to protect the users of medical services, setting up the Commission for Health Improvement and the National Institute for Clinical Excellence and establishing clinical governance. They are all positive steps. Unfortunately, the Government have, for what I believe to be dogmatic reasons, left the private sector outside the framework. That is disappointing. Clinical governance is just as important in the private sector as in the NHS. The creation of a special body parallel to the NHS will not feed good practice from one sector of health care delivery to another. Without doubt, the NHS can learn from the innovations introduced in responsible private practice, especially in this field. The more reputable clinics have a great deal of experience that could be of benefit to the NHS. Indeed, the NHS could occasionally contract to the private sector desirable and essential plastic surgery, if a private clinic were better geared up to carrying it out.

A number of recommendations could be made. One is that the Advertising Standards Authority might as well be disbanded if it will not do its job properly. There should be an investigation into the effectiveness of the Advertising Standards Authority in all its work, but specifically in an area such as this, where vulnerable people with hyped-up expectations are not always the best judges of how to act as a consumer. The patient as consumer is a nice concept, but unless people are extremely well informed, they need a lot of information to make informed choices. One reason why I am critical of the Advertising Standards Authority is that its code of practice does not cover the information that a patient can expect—information such as the success rate for an operation, for the organisation offering it or for the surgeon carrying it out.

On the consumer side, there must be a clearer framework of accountability when things go wrong. In the national health service, it is now accepted that, through clinical governance, either the medical director or the chief executive of a trust is responsible for everything that happens in that trust, although liability may of course be passed to clinicians further down the line. In the private sector, there seems to be a tradition whereby the employing authority or contracting authority washes its hands and passes responsibility to the clinician carrying out the work. That is not acceptable.

The public are entitled to a specialist register that has meaning. Again, the Government should take action in that regard and instruct the General Medical Council. If they cannot do so under current regulations, the regulations should be changed to ensure that information is available to members of the public.

The medical profession has lacked application in respect of the important issue of medical ethics. Those who apply for surgery are vulnerable, and it is essential that they be protected as patients, as well as consumers. At times, the ethical approach is to say no to someone who requests a particular intervention. At the moment, there seems to be no framework for addressing that issue.

I endorse the recommendations made by the Health Committee in its fifth report on the regulation of private and other independent health care. Reference was made to a cooling-off period, and evidence clearly showed that people who paid in advance, before seeing the surgeon who was to carry out the work, could not recover that payment. Consumers of double glazing and life insurance seem to have greater protection than those who undergo major surgery. It was also recommended that it should be mandatory for information on outcomes to be available to those who contemplate surgery.

My final plea is that the Government should address the issue of the control mechanism and the complaints system. There should be a single route for complaints. Many people who work in the private sector also hold national health service contracts, and many of the things that go wrong in the private sector become the responsibility of the NHS. It is ridiculous to talk about setting up two complaints systems—one through the ombudsman and the other through a private sector-funded ombudsman. I would much prefer the people of this country to have the protection of a competent regulatory body and access to an efficient complaints investigation system, irrespective of whether complaints or mishaps occur within the national health service or the private sector.

A useful contribution to the debate has been made this morning, and I hope that the Minister will be able to take these issues forward. Unlike the hon. Member for Cynon Valley, I do not think that her requests for Government action were unreasonable. Indeed, all of them should be implemented.

10.29 am

Mrs. Caroline Spelman (Meriden): I begin by congratulating the hon. Member for Cynon Valley (Ann Clwyd) on securing the debate. All hon. Members will have constituents who have had bad experiences that they could recount, and it was doubtless deemed that, because the subject is familiar to other hon. Members, it would make a good one-and-a-half-hour Adjournment debate. It is unfortunate that more hon. Members are not present to give those examples, but the hon. Lady raised many cases—almost horror stories—of what is happening in cosmetic surgery.

The debate is important against the background of the increasing popularity of cosmetic surgery. According to a recent survey by a women's magazine, there has been a 50 per cent. increase in cosmetic surgery in this country during the past five years. For all the bad examples that have been given, more and more people are undergoing such treatments. It is estimated that almost £160 million is spent on cosmetic surgery in this country. This is a good opportunity to raise specific cases, but we also want to speak on behalf of many people who have had adverse results and no satisfaction in trying to sort them out.

One of the underlying problems is how to define cosmetic surgery and I shall be interested to hear how the Minister does so. The more I looked into the matter, the more difficult it became to draw the line. Many procedures now are carried out on the margin of medical treatment. Can cosmetic surgery be defined as an invasive procedure that requires local or general anaesthesia? What about procedures such as dermabrasion which involves neither, but may cause damage? We need a definition of cosmetic surgery so that we can try to provide better protection for patients.

In February this year, the Secretary of State for Health referred to the key purpose of the General Medical Council and stated:

> The GMC must genuinely exist to protect patients. It must be truly accountable and it must be guided at all times by the welfare and safety of patients.—[*Official Report*, 1 February 2000; Vol. 343, c. 908.]

We have heard today that public confidence is being undermined by well-publicised cases about which multiple complaints have been received by the GMC, but the investigation of those complaints takes a long time, during which the person under investigation is allowed to continue to practise. We understand the importance of self-regulation in health matters, but public confidence must be maintained in the self-regulation of professions. If more such cases come to public attention, the tolerance of the public and the users of health services will diminish.

The examples that have been given reveal the sad fact that cosmetic surgery seems to attract some dubious practitioners. That is not confined to the United Kingdom and there are horror stories from around the world. There are clear anomalies in this country and it is the Government's responsibility to try to sort them out. For example, a doctor suspended from working in the NHS can continue to practise in the private sector. Surely that cannot be right.

Another issue concerns protection of title. It is clear that one problem with cosmetic surgery is that a patient may be seeing a consultant who is more a consultant in name than what we understand to be a medical consultant. The hard sell to which the hon. Member for Cynon Valley referred may come from someone without medical qualifications. There is an issue concerning the words "cosmetic surgeon".

There will be an opportunity shortly during the debate on the Care Standards Bill, to define medical nursing and other titles as a vital protection for the public. Does the Minister agree that such an opportunity exists? I urge him to be cautious on the question of protection of title. I am sure that he knows that protection of title was sought for professions allied to medicine under the Health Act 1999. The consensus among some of those professions is that the provisions do not work well. In an effort to protect patients from so-called cosmetic surgeons, the incorrect use of that title should be avoided, but we need assurances that some of the mistakes learned from dealings with professions allied to medicine can be avoided.

There is no doubt that better regulation is required for cosmetic surgery. The hon. Member for Isle of Wight (Dr. Brand) referred to the Health Committee report, in which there are several good recommendations. I would be interested to hear the Government's opinion of some of them. I endorse the hon. Gentleman's view that a 14-day cooling-off period for cosmetic surgery would be wise before someone signs up for an operation, given that it would be a non-urgent procedure.

I also draw attention to the Health Committee's recommendation that health warnings should be given on cosmetic surgery advertisements. Perhaps that would be a way around the fact that the Advertising Standards Authority is proving ineffective on the subject. The British Medical Association supports that recommendation.

Another important recommendation was that warnings should be given to patients of the risk of being treated by a doctor who does not have access to their records. That is common in cosmetic surgery and applies to other health care issues. If followed, the recommendation might help to prevent disastrous examples such as those given by the hon. Member for Cynon Valley. I look forward to hearing the Minister's views on that and on how legislation could be toughened to deal with the misleading advertisements for cosmetic surgery.

The timing of the debate is useful in that the Care Standards Bill, which should provide an opportunity to improve regulation for cosmetic surgery, is returning from another place. Clause 2(7) of the amended Bill mentions cosmetic surgery, so it is beyond doubt that the Bill deals with such surgery. My reading of the Bill is that it creates an option to ensure that the same safeguards as protect patients in the public sector apply in the private sector. Does the Minister accept that there is reduced resistance in the Government to the idea that the private sector should be regulated on a level playing field? There is no resistance from the independent health

[Mrs. Caroline Spelman]

care sector to that change of attitude. The chief executive of the Independent Healthcare Association said:

> A single, level regulatory playing field is essential to poorly regulated sectors.

After the debate, there can be no doubt that cosmetic surgery is one such sector.

Does the Minister acknowledge that it is important that inspection standards for independent health care establishments are consistent with those applied to NHS hospitals? That is both important and practical. The inspectorate that will be set up following the Care Standards Bill will at some date result in a good level of expertise. After a couple of years of carrying out inspections of publicly owned establishments, the team of inspectors' level of expertise could be usefully applied to private sector inspections. I urge the Minister to ensure consistency across both types of establishment, as it would be beneficial.

In the debate in the House of Lords on the Care Standards Bill, Lord Laming pointed out that

> wherever people receive healthcare treatment the standards of regulation and inspection should be the same.—[*Official Report, House of Lords*, 10 January 2000; Vol. 608, c. 417.]

I concur with that view. In the debate, several noble Lords observed that the NHS is increasingly using independent provision in a wide range of ways, for recuperation, rehabilitation, or because of insufficient provision in the NHS. Regulation and inspection must therefore cover both. As the hon. Member for Isle of Wight said, the extent of contracting out to the private sector in cosmetic surgery would make common coverage even more of an imperative.

As a result of the amendments made in the House of Lords, the new National Care Standards Commission will be able to contract with the Commission for Health Improvement to carry out on its behalf inspections of private and voluntary establishments. In practice, will experienced inspectors enter both types of establishment?

Having read clauses 2 and 21 of the amended Bill, I am slightly worried. The treatment of the lady who found herself in a dentist's chair rather than on a proper operating table and suffered accordingly took place in a ground-floor office. The establishments in which cosmetic surgery is carried out are diverse. Will the Bill cover such establishments? It is not beyond the wit of man to imagine that some cosmetic surgeons may work in a home setting. Will the Bill extend to cosmetic surgery treatments in a domiciliary setting? That may be another loophole that we must try to close if we are trying to prevent more accidents.

It has been important to have this debate. Clearly, many vulnerable people have had poor experiences, and we as politicians should try to see what could be done under existing law or proposed new law to tighten up and provide proper protection for patients who undergo cosmetic surgery. I realise that the Care Standards Bill is betwixt and between another place and this place, but I should be interested to hear what scope the Minister believes legislation offers in providing a level of protection that is currently lacking.

10.42 am

The Minister of State, Department of Health (Mr. John Hutton): Like other hon. Members, I congratulate my hon. Friend the Member for Cynon Valley (Ann Clwyd) on having chosen this subject for today's debate. She made the important point that tens of thousands of cosmetic procedures are performed in this country every year, so it is clearly big business. Parliament must ensure that it is properly regulated and that the public are properly protected. It is clear from what my hon. Friend has been saying for a long time that there is room for considerable improvement in both those areas, and I shall explain what the Government are doing.

As I am sure the House is aware, my hon. Friend has a long-established interest in this important subject, and has campaigned long and hard for better protection and higher standards. In 1994, she introduced a private Member's Bill to establish registration procedures for cosmetic surgeons in order to set minimum standards of training and practice. She followed that by bringing to the House's attention on several occasions her anxieties about doctors who work privately as cosmetic surgeons but do not necessarily have either the expertise or the experience to perform such operations. The House owes her thanks for ensuring that these matters are raised.

I assure my hon. Friend that the Government take the issues involved extremely seriously. We accept her view that the public need greater assurance on the safety and quality of such treatment. I am sure that she will be glad to know that we are therefore introducing, in the Care Standards Bill, improved regulation of independent health care services, including premises where cosmetic surgery, medical treatment under anaesthesia or sedation and certain laser treatment is provided.

The hon. Member for Meriden (Mrs. Spelman) asked whether the Bill would be sufficiently flexible to cover a variety of circumstances and places where private cosmetic surgery is performed. It will be. The Bill has been constructed to ensure that many of the detailed powers can be dealt with through regulation, which will allow us to respond as and when situations arise. We do not want to repeat some of the mistakes of the past, when the regulatory framework was too inflexible, and did not take account of people's desire to find a way around, and through, the regulatory net.

We do not often have the opportunity to correct such problems, but the Care Standards Bill provides it. The Government—and, I am sure, my hon. Friend the Member for Cynon Valley—want to make sure that the legislation is comprehensive and flexible, and can adapt to changing medical practice in the future or a desire on the part of some practitioners to find a way through the system. I hope that the Bill will address my hon. Friend's concerns. If she has further concerns, they can be addressed by tabling amendments in Standing Committee, which will provide an opportunity for more detailed discussion.

In addition to the legislation, the Government are working closely with the GMC to improve, strengthen and modernise the regulation of medical practitioners, whether in the public or private sectors. My hon. Friend will be aware that the vast majority of cosmetic surgery is carried out in the private sector. Arrangements for regulating private sector health care are long-standing,

and are based on the Registered Homes Act 1984. We recognise the weaknesses in those arrangements, as she has done. For instance, they concentrate on facilities and equipment, do not address health care quality issues adequately and do not provide satisfactory access to redress for patients who are dissatisfied with the health care that they have received. We aim to achieve more effective regulation to ensure quality of private cosmetic surgery, adequacy of information for patients and would-be patients–all hon. Members who have spoken have addressed their concerns in that regard—safety of technology and equipment used, including laser treatment equipment, and effectiveness of complaints procedures when, sadly, things go wrong.

The Care Standards Bill will establish a new regulatory body for care homes and independent health care—the National Care Standards Commission. The commission will have the powers to inspect and, if necessary, shut down cosmetic surgery clinics that do not meet the rigorous standards that will be put in place. The starting point for the new regulatory system for independent health care is that those who operate private hospitals and clinics should be accountable for all aspects of care—clinical and non-clinical services—undertaken inside them. For hospitals, that includes the work of doctors to whom they grant admitting rights. The hon. Member for Isle of Wight (Dr. Brand) referred to that concern, which is perfectly valid, as did my hon. Friend the Member for Cynon Valley.

It is not acceptable for private clinics, hospital owners and managers to seek to wash their hands of their responsibilities on the ground that consultants are not employed by them, but have a private contract with their patients. The hon. Member for Isle of Wight will be aware that one of the most effective ways to address that issue is to make sure that private hospitals have proper complaints procedures in place. Ultimately, the operation of those complaints procedures will be tied to registration. Therefore, if clear evidence exists of poor practice within a private clinic, action can be taken to shut the place down, even if privately or self-employed consultants conducted the procedures. We must not have a system in which people shuffle off their responsibilities, pass the buck and blame others, while continuing to provide a poor service. That will not happen under the new arrangements for which we intend to legislate.

We shall also set up tough national minimum standards for private hospitals and clinics. That work will be developed through wide-ranging consultation, which will include the independent health care sector. Clearly, standards will need to be sensitive to the type of care that is being provided—they will differ between, for example, hospitals providing acute surgical care and those treating people with mental health problems. Our guiding light throughout the exercise will be patient safety.

We will therefore require all private hospitals and clinics to have proper arrangements in place to assure quality. Those will include proper treatment protocols, arrangements for clinical audit, proper maintenance of clinical records, systems for clinical risk management, arrangements for reporting untoward incidents to hospital management, and so on. All health professionals working in a hospital should participate in those arrangements. Private hospitals will need to put proper arrangements in place to oversee those systems, for example by using medical advisory committees. However, the hospital manager and owners will have the ultimate responsibility of ensuring that the hospital provides high-quality clinical care.

We will develop standards for independent health care by involving the relevant experts in the field. Our consultation on the development of standards for cosmetic surgery will also involve the Medical Devices Agency. Its views, expertise and professional contacts on, for example, the use of lasers, silicone breast implants—which concern my hon. Friend the Member for Cynon Valley—and devices used for liposuction will be essential in producing effective standards. We will also require private hospitals and clinics to have proper procedures in place to check the qualifications of the staff whom they employ and to ensure that they employ only state-registered staff in relevant posts, for example as physiotherapists.

However, the process does not end there. As part of our minimum standards, we want to ensure that staff have the appropriate skills and qualifications for the work that they undertake; for example, the employment of paediatric nursing staff to look after children will be a vital requirement in ensuring that there is proper 24-hour medical cover in place where hospitals carry out major surgery.

Standards will also cover the qualifications of all health care professionals involved in cosmetic surgery. Clinics where cosmetic surgery is performed will have to satisfy the National Care Standards Commission that surgeons who operate in them have the relevant qualifications and have reached consultant status. That will help to ensure that patients have increased protection from surgeons who are not adequately experienced or skilled in cosmetic surgery. We are also determined to put a stop to the practice of doctors continuing to work in the private sector when they have been suspended from their NHS work because they pose a risk to patients. All hon. Members who spoke in the debate have expressed their concerns about that. The current alert letter system has not always worked as effectively as we had hoped and we will work with the GMC and other bodies to establish better arrangements.

We recognise the difficulties that patients sometimes face when cosmetic surgery, or indeed any private health care treatment, goes wrong, and they try to seek redress. Patients can be faced with the surgeon and the hospital passing the buck, with neither accepting responsibility. That is simply not good enough. Under the new regulatory system, each hospital and clinic will be required to have a formal complaints procedure; that is not at present a formal or legal requirement. Patients will be able to make a complaint about their treatment and have it fully investigated. If they are not satisfied with the response that they receive, they will be able to raise the matter directly with the National Care Standards Commission, which will have considerable powers at its disposal. It will be able to ensure that all staff who work at the hospital or the clinic co-operate in those complaints investigations. If necessary, it will report poor or unethical practice directly to the GMC, under the fitness-to-practise procedures, where matters can be further investigated. If standards are persistently

[Mr. John Hutton]

poor, the clinic can be closed down and will not be allowed to open in the next town, as can sometimes occur under the present arrangements.

Compared with the current system, in which 100 different health authority inspection units are involved, the position of the National Care Standards Commission as a single regulator will give it the necessary overview and co-ordination to apply that type of sanction effectively. Those who pose a risk to the public must not be allowed to slip through the regulatory net. In tackling those issues through the Care Standards Bill, we are confident that the measures we will introduce will provide the enhanced safeguards and assurance of standards in independent health care, including cosmetic surgery, that the public fully deserve.

The hon. Member for Isle of Wight raised concerns about the difference, as he saw it, between the arrangements that we are putting in place for the private health care sector and the national health service. I believe that he was wrong in several respects; I do not want to pick him up too much on that, but I will make two points. He was concerned about clinical governance arrangements. In relation to NHS patients being treated in the private sector, the same safeguards and procedures will apply. The Commission for Health Improvement will be able to follow the progress of those patients and the standard of care that they received. We expect medical practitioners in the private health care sector, when treating NHS patients, to apply exactly the same standards of clinical governance as they would apply to patients when treating them under the national health service. The hon. Gentleman may have inadvertently misunderstood the arrangements in those two respects.

Dr. Brand: Surely the Minister has just illustrated my point. It would be more sensible to have a common framework for clinical governance, whether for a private patient within an NHS hospital, an NHS patient in a private hospital or a private patient in a private hospital.

Mr. Hutton: The hon. Gentleman was saying that we were abandoning NHS patients in the private sector and exposing them to no effective safeguards. That is not the case. There is a logical argument for separating the role of the Commission for Health Improvement from the role of the National Care Standards Commission. The Commission for Health Improvement will not be a registration body; it will be an inspection body. The National Care Standards Commission will have both functions in relation to the private sector, which is a reasonable place at which to draw the line. The problem with legislation is where to draw the lines, define functions and separate one organisation's responsibilities from those of another. That is an inescapable part of the whole process of providing an effective regulatory framework.

The system will be flexible and, when we have amended the Care Standards Bill, the National Care Standards Commission will be able to use the expertise of the Commission for Health Improvement in carrying out certain inspection functions in relation to the private, acute health care sector. There is every possibility that we can ensure that the two separate organisations work closely together and advance the interests of patients in the way that we have always intended.

I have outlined the many improvements that will drive up the standards of private health care to a much higher standard. It is important to be aware that that work does not stand alone. The potential of the National Care Standards Commission cannot be met unless the regulation of the professions is thoroughly modernised. My hon. Friend the Member for Cynon Valley expressed her serious concerns about such issues. To that end, the Government are currently working closely with the GMC to bring about the necessary changes that she and others have long called for.

As my hon. Friend will be aware, the GMC has, by law, several specific functions such as keeping up-to-date registers of all qualified doctors, fostering good medical practice, promoting high standards of medical education and dealing with doctors whose fitness to practise is in doubt. The tragic events surrounding the Shipman case have most recently brought that last area into focus. The case highlighted beyond any reasonable doubt that the powers currently available to the GMC to impose interim suspension or place interim conditions on a doctor while cases are being investigated are inadequate under the current procedures. There is common consent about that. It is important to understand that that relates to all practising doctors, not only those who specialise in plastic surgery.

Currently, the preliminary proceedings committee of the GMC can impose interim suspension on a doctor's registration, but only after it has decided to refer the case to the professional conduct committee. The process, which is set out in regulations, requires a doctor to be given a minimum of 28 days' notice in which to respond—to which my hon. Friend referred. In reality, the delay may be eight weeks or more. Such a delay is not acceptable. Those various gaps and loopholes mean that doctors who may be a danger to patients can continue to practice. That is clearly unacceptable. It is certainly not in the public interest, which is why we have decided to take action.

We are giving the GMC additional powers to impose interim suspensions. We also intend to give practical meaning to the presumption that, when a doctor is struck off, it is for life—save in the most exceptional circumstances. Speed is vital to those powers. We shall use them to impose interim suspension or conditions quickly in any circumstance, including cases of performance and health. Importantly, the new power could be used at any point in the fitness-to-practise procedure. It would give the GMC similar flexibility to the United Kingdom Central Council for Nursing, Midwifery and Health Visiting in the timing of the imposition of interim conditions.

There are many other issues that I would have liked to discuss but, sadly, I have run out of time. There is no argument about what we want to achieve. We want private hospitals and other independent health care facilities to work to proper modern standards of health care. We want those hospitals to be accountable to their customers for the services that they provide, and to be subjected to the most rigorous and demanding checks to ensure that they meet the necessary requirements. That will be the case in future.

Year-out Programmes

10.59 am

Mr. Nick St. Aubyn (Guildford): It gives me tremendous pleasure to start this debate. Often, in the House, we are accused of talking a lot and getting little done, because we are into adversarial politics. Today's debate is different: it marks an important event that has arisen from an Adjournment debate that took place nearly two years ago. Today sees the launch of the Year Out Group, which will promote a structured year out for school leavers before they go to university or start a job, and for those who choose to take the year out between university and a job.

In setting up the Year Out Group, we have had assistance from the Department for Education and Employment, including from the Under-Secretary of State, the hon. Member for Barking (Ms Hodge). We have also had support from the Universities and Colleges Admissions Service, which plays an important role in the decisions of school leavers. The purpose of our group is to encourage more school leavers to defer for a year their entry to university, or their commencement of whatever they choose to do with their lives. A year out can be a once-in-a-lifetime opportunity for people's personal development; it can enable them to contribute to society and help to ensure that they set the right course for the following few years.

Following our Adjournment debate, I formed a working party of the seven leading organisations that I could identify working in the sector. The advice and knowledge that they made available brought in others, and the Year Out Group now comprises 20 bodies, including voluntary organisations that offer work opportunities, principally overseas; organisations that offer teaching opportunities overseas and in this country; and organisations that enable self-development through adventure programmes, such as treks across the Sahara.

Eighteen-year-olds and 19-year-olds face a range of options when they leave school; different ones are appropriate to different individuals, but, in the end, the individual must choose. That is why the focus of our debate two years ago was on the need for guidelines. The sector is burgeoning: in the past two years, the number of organisations offering a year-out experience to school leavers has grown by 50 per cent., to nearly 200. However, little guidance has been available that might encourage and steer students, helped by their families and teachers, to make the right choices.

I want to make a distinction between those who take an unplanned year out and those who take a planned and structured one. We are talking not about years off, but about year-out programmes devised by organisations that are committed to providing the best once-in-a-lifetime opportunities for students and young people. After its launch, the Year Out Group will be open to other organisations that meet its criteria and aspire to its six aims.

The group's first aim is to promote the concept of the year out, about which I shall say more in a moment. The second is to provide accurate information that will become a focal point for those who want to find out about the different organisations and the range of opportunities available to school leavers.

Thirdly, it is increasingly evident that a quality framework should be applied to the provision of year-out opportunities; until recently, the sector has been self-regulating. The Year Out Group has not yet provided such a framework: its focus has been on providing guidelines to help people to choose between the many organisations that are available–I shall give examples of some of the very good organisations that are not yet members of the group later. However, people should know what they are looking for, and our group aims to provide a quality framework.

Fourthly, there was until recently a sense of rugged individualism about organisations in the sector–an attitude that may, to some extent, have been spawned by the nature of the people who set them up. The Year Out Group has proved that those working in the sector can co-operate and that their organisations have a mutual interest in working together Fifthly, it was made clear on several occasions during the past few years that the Government and major organisations had not caught up with developments in the sector. There was a need for a voice to speak collectively for year-out organisations. To achieve that, the group's sixth aim is to represent the whole sector equally and impartially.

I have described the group's aims, which are very ambitious. The group has clearly set out what type of organisation should belong to it: it wants to attract organisations whose principal activities include the provision of high-quality, structured programmes in the United Kingdom or overseas for young people who take time out. Such programmes include cultural exchanges, educational courses, expeditions, volunteer work and structured work placements, but exclude ordinary paid employment and the au pair scheme. In addition, members of the Year Out Group should be required to aspire to all of its aims.

The sector is about to achieve an important landmark. So far, its main achievement has been to agree guidelines to which all of its members can sign up. Today, the Minister will today launch those guidelines—we are grateful for her support—and, at the same time, the Year Out Group's website will be launched. It should be available online this morning at www.yearoutgroup.org. The website contains guidelines which are also available in a leaflet that will be sent to schools around the country and can also be obtained from participating organisations.

Students who are considering taking a year out should first look long and hard at the way in which they will be selected: they should establish what sort of person the organisation wants, and whether they will be properly assessed. It is no good ending up on a project on the other side of the world if one is simply not suited to it, or if one has been insufficiently trained and prepared.

Secondly, it is a good idea to establish who will benefit from the activity. A prime purpose of a year out must be that students themselves will benefit, and the best organisations do all they can to ensure that, at the end of the programme, participants feel that they have made a real contribution to the scheme, project or programme with which they have been involved.

To achieve that, the third thing that students need to examine is precisely how they will spend their time. It is no good going on a programme to an exciting and exotic

[Mr. Nick St. Aubyn]

country if too much time is spent performing menial tasks that do not exploit the potential that even 18 or 19-year-olds have to offer. Tapping that potential not only helps their self-development, but contributes to the development of the place in which they work.

Finally, with such a wide range of organisations—around 200—offering so many opportunities, students must look at the cost of the programme that they intend to go on, at any hidden extras and at the organisation itself. The group felt that it was worth emphasising the importance of the arrangements made before students set out on a programme, for example, they should ask who is responsible for getting them to the site of their designated programme.

Young people should also look at safety procedures and at the support that they will receive in the field. It may be the first time that some of them have left home for an extended period; for such people, an element of pastoral care adds a great deal of value to the programme, and they may wish to ensure that the organisation that they are going with can provide that. Others will welcome the chance to break away from parental ties, considering that they are old enough to look after themselves. Again, it is the student's choice, in consultation with family and school.

Last, but not least, and especially relevant to those who go on a longer placement lasting six months to a year, is the question of readjustment when they come back and start on their university course or long-term career. It is important that the right debriefing arrangements are in place. To have an extended period away from home can be an exciting and exhilarating experience, but students need to land on their feet and readjust to the world of home or work, or to the academic world that many of them intend to enter next.

It is a credit to the success of many organisations today that the attitude of universities to a year out has changed significantly. For a long time, a gap year between school and university was regarded as a bolt-on extra for middle-class kids who could afford it and who spent their time enjoying themselves. Their tutors hoped that, when they went up to university, they would remember enough of what they had learned at school and would have enough commitment to get through the course. Far be it from me to suggest that that applies to any Member of Parliament, although in the two debates that I have attended on this subject, I have learned that many hon. Members took advantage of a gap year.

More seriously, we now recognise that students who take structured and planned time out before they go to university are better equipped to focus on their course; they have the social skills needed to engage with other students, and they acclimatise well to an environment that is extremely difficult from what they have been used to at school. Indeed, a survey undertaken by the Year Out Group in February this year found that, although all universities noted a higher pre-course drop-out rate among students who take a year out, there is a great deal of evidence suggesting that students who have taken a year out and remain committed to their course have a much lower drop-out rate. The extra year to think about the course that they intend to follow makes it more likely that the majority who take up their place at university will complete it successfully. In the modern world, in which students have to pay so much of the cost of their course, it is important that they go up to university confident that they have made the right decision.

We asked the vice-chancellors of the 50 leading universities in a survey whether they agreed that a structured year out benefits the personal development of a typical undergraduate: 93 per cent. of those who responded—almost all did—agreed with that statement. As a member of the Select Committee on Education and Employment, I have had many opportunities to ask vice-chancellors for their views on the year out, and I have found near unanimity in their endorsement of the benefits of a planned year out. Last September, the Committee took evidence from UCAS, and I asked Mr. Tony Higgins, the head of UCAS, whether the drop-out rate among those who had taken a year out was higher than among the university population as a whole. He replied:

> No, the evidence is to the contrary . . . these are people who are going for their places when they are a little bit older, a bit more experienced and they have done what they really want to do.

UCAS has also stated:

> Voluntary work is almost certainly worth an A-level grade or two in college selectors' eyes.

Of course, the Year out Group is not only concerned with voluntary work, although that is an important dimension of the whole sector.

There has clearly been a change in attitude. Last year, 50,000 of those going up to university—that is 16 per cent. of those placed on university courses—did not have a place set aside for them before they took their A-level examinations. It would be preferable if as many such students as possible planned to defer their entry rather than, for example, on finding that their A-level results were better than expected, ringing UCAS—or, increasingly, contacting it through its website—to find out at a late stage what university opportunities were available.

A change in universities' attitude opens up a new dimension—a way ahead. The concept of widening access by taking advantage of the year out needs to be promoted. Many children from less well-off backgrounds have not even heard of taking a year out. As a member of the Education and Employment Committee, I visit many secondary schools; a typical comment from head teachers at such schools is that the children there would not appreciate or be able to cope with going abroad for an extended period. That is not nearly ambitious enough for those children. I am sure that, with the right support and development, most could make a great success of a year out.

Changes in attitude have led to Voluntary Service Overseas beginning, in a modest way, to take school leavers from disadvantaged backgrounds and put them in year-out programmes with support from the Department for International Development. At this stage, the programme is very small, involving only a handful of students—fewer than 50 or 100 a year—but it demonstrates the potential.

The YMCA in my constituency, Guildford, is involved in a project in Sri Lanka. It sends people from less well-off backgrounds out there for up to a year to assist in a home. In addition, that YMCA branch, along with others, has gap-year opportunities within its

organisation, enabling those taking a year out to help to run its hostels. In addition, people who have problems can be helped by having someone of their own age to help them deal with them and set them on the road ahead. The Prince's Trust is also beginning to play a much bigger role in this field.

Enabling school leavers from less well-off backgrounds to maximise such opportunities raises the issue of funding. Many of the organisations that are part of our group help students to raise money. Some are charities and have long experience of helping those whom they sponsor to obtain additional sponsorship from the private sector; many large companies have an outstanding record of supporting students on year-out programmes. In the long term, however, an element of funding from Government sources is bound to be necessary if the year out is to become a fully recognised part of the strategy for widening access.

How will children benefit? First, those coming from families that are not accustomed to their children going to university will find it much easier to justify that important decision to those around them if they already have their qualifications under their arm before going to university. Secondly, during their year out, they will, no doubt, want to save up some money to help them on their way when they reach university. It is important that they do not do that by taking a job in McDonald's and spending a year as a workhorse: they should spend time doing work—perhaps teaching or social work—that enables them to achieve more in terms of personal development and gives them a certain amount of personal responsibility. The evidence shows that, when they go up to university, they will have a great deal more to offer and better social skills, and so will be able to make the best and most successful use of their chosen course of study.

The most important point is that children are undertaking post-qualification entry to courses. I am a great believer in post-qualification entry, and increasing numbers of universities share that view. For example, Surrey university, which is in my constituency, has told me that

> a move to a 100 per cent. post-A-level entry scheme would improve student choice and therefore retention, as well as reducing admission costs, tensions, and errors.

Of course, that view is not universal—a significant number of universities are opposed to students on certain kinds of courses breaking their periods of study with a year out. However, there is a growing will for change. The length of the timetable proposed by the Committee of Vice-Chancellors and Principals for developing post-qualification entry disappointed many in the university world.

There is a case for saying that a target number of school leavers should be positively encouraged to take a year out, and that support for them to do so should be made available. The arrival of the Year Out Group, with its agenda of guidelines and a quality framework, will make such a policy shift much easier to achieve.

Dr. Evan Harris (Oxford, West and Abingdon): I do not disagree with the merits of the year out, as explained by the hon. Gentleman in his fascinating presentation. However, post-qualification application for university could also be achieved by reforming the A-level system so that is more like the American system, which bases university applications on grade point averages, instead of all-or-nothing A-levels at the end of the sixth form. That would also achieve the hon. Gentleman's aims. Would he consider it, regardless of the merits of the year out?

Mr. St. Aubyn: I am grateful to the hon. Gentleman, and hope that we shall hear more of his thoughts in the debate. Clearly, there are alternatives to A-levels. However, the point is that a break between school and university is a valuable addition to the development of individuals. It also gets around one of the key concerns about A-levels, without undermining their status as the gold standard of academic achievement. There may be students for whom an American-style gradation system is appropriate, but I should point out that a four-year course—not a three-year course—is the norm in the United States; and only by the end of their first university year have students attained in their chosen subject the same level of ability and knowledge that is attained by many A-level students in this country.

I move from the funding issue to the quality framework agenda. As I said, the Year Out Group aspires to build such a framework. We recognise that some very good organisations are not part of the group, and we hope that they will join in due course. We are not saying that those who form part of the group have adhered to a quality framework, although they were required to answer questions based on the guidelines that we are promoting today. Nevertheless, such a framework is a precondition for significant Government funding, and it would have to tackle the difficult question of health and safety.

Firms in this country know that health and safety issues can create difficulties. In respect of school leavers, particularly those on programmes abroad, such issues create major challenges for organisations. However, all those who have left school are at greater risk than when at school: they are safer in the school environment and in the protection of their families than when they first go out into the world and stand on their own two feet. We must accept that, at that point in our lives, we are all a little more at risk, so we should not overplay the occasional tragedy of the school leaver who has an accident overseas. Sad as such incidents are, they frequently involve those who chose not to go through an organisation and instead took a risk on their own. However, it is clear that, if we are to deliver a quality framework, the health and safety issue must be examined and the personal development of individual students properly addressed. Moreover, assessment in respect of the programme in which students participate and achievements arising from their experiences must be properly measured.

I am delighted by the interest that has been shown in this subject. Many hon. Members have told me that they are pleased with developments in the sector. There is broad support for those developments, which is reflected in the consensus that we appear to have achieved in the Chamber today.

We live in a fast-changing world. I have yet to mention the internet, which will play an important role in this area. Hon. Members may know that, within the next two years, school leavers will apply for university places almost exclusively through the UCAS website.

[Mr. St. Aubyn]

The heavy document through which some of us remember wading many years ago is disappearing. Through the website, students will be able to discover where a particular course is available and where other students on their course come from. Indeed, a wide range of other information will also be available.

We hope that the link between UCAS and the Year Out Group websites will enable students to discover the benefits of a year out. Should they choose to take a year out before going to university, they will able to keep in touch with their family and prospective university through the web. As a result of the web revolution, the world is shrinking. Increasing numbers of students can say, "Although I will be on the other side of the world if I take this opportunity, I will be able to keep in touch with mum and dad by exchanging e-mails every day of the week, if we feel like it." In the modern world, we can take the big step away from our home environment, yet stay in closer touch than ever.

Given that students are now made to pay so much more of the cost of their period at university, more of them will choose to go to a university near to their home. The chance to take a year out before doing that would offer such students the breadth of experience and opportunity to mature that a previous generation got from going to a university on the other side of the country. There are many advantages in the traditional British system, in which students are encouraged to go to a university far away from home. However, as the Dearing report made clear, it is not the function of Government to use taxpayers' money to promote that. Students who choose, for financial reasons, to go to their local university or to follow a remote learning course will ask themselves, "How can I show that I am growing up, now that I have left school?" The opportunity to take a year out on a structured programme, with its responsibilities and challenges, will appeal to a wide range of school leavers. The developments that I have mentioned, which have been so well supported by all those with an interest in the matter, are exciting opportunities that will be available to to all future school leavers.

11.31 am

Mr. Peter Brooke (Cities of London and Westminster): My hon. Friend the Member for Guildford (Mr. St. Aubyn) said that we were acting in a non-adversarial capacity. I hope that you cannot see it, Mr. Cook, but I have brought my mackintosh.

Mr. Deputy Speaker (Mr. Frank Cook): Order. It might be helpful to all right hon. and hon. Members if I remind them that, in its decision to establish proceedings in the Chamber, the House deemed that it was not a Committee and insisted that the Chair be addressed as Mr. Deputy Speaker.

Mr. Brooke: I do apologise, Mr. Deputy Speaker. I have spoken twice in this Chamber, but the circumstances surrounding my presence today—which I shall, in a moment, reveal—are in part responsible for my being perhaps not totally in control of my conduct. I hope, Mr. Deputy Speaker, that you cannot see it, but, partly due to those circumstances, I have brought into the Chamber a mackintosh that would be more suitable for a county cricket ground than a legislative chamber. I hope that it is invisible.

I was in Northern Ireland yesterday and was invited to participate in today's debate only one hour before it began. That is why I am still in the process of collecting myself. My speech will, necessarily, draw more on personal insight than on the results of burning the midnight oil. With apologies to the hon. Member for Oxford, West and Abingdon (Dr. Harris) I shall cite again the case of the Liberal peer, the publication of whose memoirs was held up for three weeks because the printers had run out of the letter "I". My speech, too, will draw heavily on the first person singular.

I suspect, Mr. Deputy Speaker, that you, like me, did national service. That particular form of gap year—indeed, gap two years—had a significant influence on my later life, but it has not been available since the late 1950s. Dr. Alec Dickson—and, in the United States, the Peace Corps—introduced the concept of a gap year into the lives of young people. My own links with Dr. Dickson came about through the legendary Launcelot Fleming, chaplain and dean at Trinity Hall, Cambridge, then Bishop of Portsmouth, Bishop of Norwich and Dean of Windsor.

Fleming took a first-class degree in geology at Cambridge and a Master's degree at Yale. His Fellowship at Yale obliged him to travel throughout the United States, at which time he had the sort of experiences that we are discussing. However, his most formative experience occurred in a rather late gap year—an expedition to Graham Land in 1934. For almost two years, he was both geologist and chaplain to the expedition. He said that there was no greater test for a clergyman than to be shut up with his contemporaries for six months each winter, during which time they could test to destruction his faith and the arguments that lay behind it. Because of his background, he was a massive supporter of Outward Bound, which was a national forerunner of the organisations that we are discussing. He was also involved in the World College movement, and took a leading part in the developments mentioned by my hon. Friend the Member for Guildford. I congratulate my hon. Friend on securing the debate—despite the circumstances in which I entered it—and on initiating the process two years ago.

My younger sister was doing VSO in Nigeria when the Biafran war broke out. She was in Onitsha, which was at one end of the bridge that separated the warring parties, but got out through Port Harcourt. She and the people she was with had to get out, just as people now have to get out of Sierra Leone. She appeared at the home of the economic counsellor in the American embassy, whom she had visited on her way out. He said, "The Americans have a strong tradition of sanctuary, but there is a price. I have to write a telegram to Washington tonight on the subject of the economic situation in the war zone. If you can tell me the price of bread in Onitsha on the day you left, I can construct an entire telegram about that." She said that that would be easy, and was admitted into sanctuary. To her credit, my sister went to Jamaica with VSO after she got her university degree here. She married a Canadian who taught in the same establishment and they have spent their entire adult life working in third-world universities. That stems directly from her original work for VSO.

My eldest son went to Zimbabwe—another country in the headlines—under the auspices of the Project Trust. That organisation is run from a castle on the island of Coll, which, remarkably, it uses as a kind of proxy for the third world—I mean no disrespect to Coll. If you send people out at considerable expense to the four corners of the earth, it is sensible to test whether they have the self-reliance to cope. Those who want to go out with the Project Trust go to the island for a week; they are housed in a croft and perform tasks such as sorting seaweed—at least, that is what happened when my son was there. At the end of the exercise, it is perfectly clear whether somebody will be able to cope with a year in the third world. As 20 per cent. of entrants fail, a great deal of money is saved by that testing process. I have to say that my son greatly enjoyed his year in Zimbabwe.

One of my nephews joined an organisation called GAP, which, as its name implies, operates in the gap-year sector—although it competes with a clothing company. He went out to Paraguay and, somewhat unpredictably, shifted his academic focus from history to Arabic as a result of the experience. He has been in Egypt and Yemen, and would have gone to Iran, had there not been prolonged visa difficulties. His twin brother also intended to read history at university but, after going to Japan, he devoted his career to reading Japanese. I cite those two anecdotes because of the German ambassador's observations on the "Today" programme this morning: he said that the British were not learning languages as they should. I can tell him that the gap-year process has altered the careers of people close to me in an immensely productive way.

My hon. Friend the Member for Guildford spoke about a structured programme and guidelines that could be universally applied to participants. I will not spend a lot of time on that subject, not least because of the circumstances in which I entered the debate. Suffice it to say, an 18th-century Member of Parliament, after a long speech by Edmund Burke, got up and said, "Ditto to Mr. Burke." Like that hon. Member, I support the views expressed by my hon. Friend. I am delighted that the programme will be launched—perhaps later today, or in the near future—at the Greycoat Hospital school in the heart of my constituency; I can think of no better location.

Organisations such as Project Trust, GAP and the former Operation Raleigh, on which I worked with Colonel Blashford-Snell when I was a Minister, place a heavy obligation on participants to raise the money themselves. The pattern is that half the participants come from the maintained sector and half from the independent sector. Under the previous Government—I do not address this remark to the Minister—anxiety was expressed about offering VSO experience to people before university, rather than, as had previously been the case, to people who already had qualifications and were fully trained. In providing financial assistance for younger students, the Government might disadvantage people who participate on an entirely voluntary basis and have to raise all the money themselves. It would be helpful if the Minister could comment on the financial assistance that the Government give to VSO and other schemes.

You have been extremely indulgent, Mr. Deputy Speaker. I apologise for having addressed you incorrectly, and am delighted that you brought me up so short.

11.41 am

Dr. Evan Harris (Oxford, West and Abingdon): We all enjoyed that brief speech by the right hon. Member for Cities of London and Westminster (Mr. Brooke). I note his point about the dangers of dwelling on personal experience and I shall resist the temptation to do so.

The hon. Member for Guildford (Mr. St. Aubyn) made an interesting speech. I congratulate him on his persistence in requesting a debate and, in the Education and Employment Committee, promoting at every opportunity today's launch and the concept of the gap year. He made several interesting points, with many of which I agree. To save time, I shall concentrate on four aspects in which there is room to explore.

The first aspect is equity between people from less well-off backgrounds and, to use the stereotypical term, "rich kids". That term is unfair to them, but it is understood by many to mean those who can take advantage of opportunities such as gap years. The second aspect is whether the gap year should be used as a substitute for good early careers guidance. One of the advantages cited is that taking a gap year tends to reduce drop-out rates when people finally reach university; however, it is an unintended advantage and I question whether it is the most efficient way of reducing drop-out rates. The third aspect I want to explore is that of post-qualification application to university, which is often a consequence of taking a gap year; again, I wonder whether there are better ways of encouraging that. The fourth aspect is universities' attitude to gap year students. The hon. Member for Guildford has already spoken about other aspects, including the importance of structure.

Before I discuss those issues, I should like to make it clear that, for all the reasons given by the hon. Gentleman, I believe that a gap year can be very valuable. It can improve socialisation skills and provide a useful breadth of experience before people move on to higher education and intense academic study.

However, in some ways, some of those advantages resulting from gap-year schemes reflect the disappointing results of school education. It is unfortunate if a gap year is necessary to obtain the socialisation skills that are necessary for higher education or employment but that cannot now be obtained—if, indeed, they ever could—from secondary schooling. In employment and higher education, there may be a marked difference between people who have taken a gap year and those who have not in terms of their ability to socialise and get on with things. However, while that points to the advantage of a gap year, it raises questions about the pressures on school staff and students, particularly given the seemingly ever-expanding schools curriculum.

I feel strongly that we do not do as much as we should in terms of foreign language education, although I am wary of recommending that we add more to the curriculum. The right hon. Member for Cities of London and Westminster hinted that one advantage of a gap year is that it stimulates the necessary interest in

[Dr. Evan Harris]

foreign languages, but is that the right approach to take? Some people do not take a gap year because they cannot or do not wish to do so; they should not miss out on something so fundamental to a basic secondary school education as developing an interest, if not skill, in foreign languages.

As the hon. Member for Guildford said, equity is connected to the way in which such programmes are funded. I believe that, if we were to consider the number of young people who take a gap year—some students, others about to enter employment—we would see great inequity in terms of the ability of those from less well-off backgrounds to gain access to that opportunity. The profile would be similar, if not worse, than that of those entering higher education. I should be interested to know whether the relevant statistics exist.

Mr. St. Aubyn: Does the hon. Gentleman agree that the real inequality is found in the lack of access to higher education for those from disadvantaged backgrounds? Those who take a year out are not taking the year off; they are putting something back in. Many of them are giving up their time and resources for the purposes of self-development, but that costs them something: they will start their career a year after they would have otherwise have done. The inequality arises, not from finances, but from the education system, and it illustrates precisely the need to widen access to such groups.

Dr. Harris: I think that I understand the hon. Gentleman's argument. If he believes that a gap year is good idea, generally speaking, it should be accessible to all people on an equitable basis. Given the advantages of a gap year, there should be no reason why it should appeal more to people of one social background than to those of another. If we accept that it is a good thing, we should expect proportionate numbers of people from the maintained schools sector, the independent schools sector, social groups ABC1 and other socio-economic groups to take advantage of it.

However, I am sure that that does not happen. The problem is not unique to those taking a gap year and it relates to funding because the courses are self-funded, or sponsorship has to be obtained—unless one is fortunate enough to participate in a scholarship-type arrangement that pays the bulk of the expenses. Therefore, raising the necessary funds will be difficult and daunting for those without access to parental support.

My gap year was based around an English Speaking Union scholarship, granted following an entrance examination, to study at an American high school for the last two terms of that year. It was fully funded and worth a huge amount of money, given the costs of that high school place in the private sector. It was available to me as a student in a state school, but most of the students on the scheme came from independent schools. If funding is to be directed at gap-year schemes, it should be student based—enabling people to be selected according to their access, or lack of access to resources—rather than provided through block grants made to organisations or general subsidies given to everyone on the scheme. That is the way to increase access.

I was pleased to hear the hon. Member for Guildford make a plea for more Government funding. I am sure that the Minister will tell us what the Government are doing now and what more they can do. However, if, to an increasing extent, students have to pay their way through university, there will be implications for their access to a gap year. It will be another year in which they do not earn money, but go further into debt—a year in which they might have to spend their savings or the money that their parents gave them to support them through college. Current funding arrangements have been criticised on the grounds of equitability, especially after the loss of the means-tested grant. Therefore, it is incumbent on hon. Members and Ministers who think the gap year a good idea to say how they would ensure that access to the gap year is improved. They must deal with the fact that new student support arrangements, whatever their advantages, will act as a disincentive to spending another year not earning. Broadening the gap-year experience will be difficult, given those arrangements.

In passing, it is worth noting that our discussion has covered the gap year taken before entering higher education or employment. The hon. Member for Guildford and I have both been guilty of talking only about students; we should also mention those young people who may not be deferring entry to university or employment. We have also failed to mention the group of people who take a gap year between higher education and entering employment. I suspect that that group, whatever the figures are historically, will come to represent a dwindling proportion of the total number of people who take gap years. If gap-year schemes increase, the actual number of people in that group may not fall, but their proportion of the total number taking gap years might fall because of the level of debt that students have at the end of their course. Proposals from all parties suggest similar levels of debt, and naturally people will want to clear it by earning money. Therefore, to an increasing extent, gap years will be taken between school and university or employment.

I want to touch on the issue of careers guidance. Taking a year out to reflect on whether one has made the right choice of studies gives one the opportunity to change that choice. However, I would hate us to recommend taking a gap year because those who are unable or do not want to take a year out have a higher drop-out rate, instead of offering proper careers guidance for higher education courses,. The hon. Member for Guildford will probably agree with me. Constituents tell me that changes in the careers service have meant that one group of students has made worse decisions than it might have, because the service has been focused on another group. The careers service is invaluable and should be invested in.

I would be interested to see the drop-out rates and course-change rates for those who have taken a gap year. However, it is obvious that reflecting for a year on whether one really wants to study a subject can give one pause. In my own case, I might have abandoned medicine if I had decided that I wanted to enter politics instead.

Mr. St. Aubyn: The hon. Gentleman makes a valid point about the careers service. He may not know—I only recently discovered it—that, under current funding

arrangements, careers service advisers who persuade a school leaver to take a year out do not necessarily get a credit for that as an education outcome. Therefore, there is a disincentive for careers advisers to promote the idea of the year out for students, even when they think it might be appropriate. The Department should investigate that.

Dr. Harris: I know that the Minister heard that point and I shall leave her to respond to it. Perverse incentives come with all sorts of regulations and schemes to encourage people to do one thing or another, and they must be ironed out if they are a problem.

The third area I wanted to touch on was the attitude of universities and employers to the year out. I was pleased that vice-chancellors have changed their views on the gap year, because there is no reason why it should be frowned on, even it makes it difficult for universities to plan places, as they used to claim. It would not surprise me if a gap year was considered to be worth an extra grade at A-level, because of the advantages that it gives.

It is hard to say how one gained from one's own gap year, but I have watched people who have worked for me in the House of Commons—for remuneration in excess of the minimum wage—during a gap year, and they have blossomed. I currently have one such employee who is one of the best researchers that I have ever had, even though he is not yet a graduate. He has been superb; I have watched him develop in the role and he is now more than capable of bossing me around—which is perhaps the true test of competence for a research assistant.

It is important that universities recognise the importance of a year out. Maturity in general is an important factor in higher education: we know that mature students need fewer academic qualifications to succeed at university. A debate for another time and place is the plight of full-time mature students in higher education. The more mature the student, the better, for all the reasons that the hon. Member for Guildford gave. The Minister should send a message to the higher education sector that there should be no disincentive—in the form of fear that it will be badly regarded by universities—to students who wish to and are able to do so taking advantage of a year out.

There was an old-fashioned concern that students would forget everything that they had learned in the sixth form by the time they arrived at university a year later, but I remember that one forgets everything a week after taking exams for which one has swotted—that certainly happened in my case. I remembered what I had learned only six years later, working in a district general hospital, during bursts of feverish calculations on drug charts—which should be a worry to everyone.

My final point is tangential to the point made by the hon. Member for Guildford about the advantage of a gap year to post-qualification application to university—not to post-qualification entry, because we all expect qualifications to be a condition of entry to higher education. The gap year has all the advantages that the hon. Gentleman detailed, but it is not necessary to insist on or encourage a gap year to achieve such advantages. It would be a useful beginning if he and others could drop their seemingly instinctive opposition to the reform of A-levels, which they regard as the gold standard.

The higher education system in the United States has certain disadvantages and certain advantages, but it is a system that is envied. University applications are made on a much wider basis than final exams taken at the end of two years' study at A-level grade. Perhaps for that reason, the courses entered are more varied and enable people to choose which subjects to major in during their time at university. Many people perceive advantages in that, and hon. Members on both sides, including Liberal Democrat Members, should be encouraged to look beyond the A-level as the gold standard. That is tangential to the main thrust of what has been said about the advantages of a gap year, to which I wholly subscribe.

The hon. Gentleman should be applauded on his initiative in working with organisations at the front line, and emphasising the advantages of taking a gap year to those who would not otherwise consider it, or who might consider it another year's delay. Whether those opportunities are explored abroad or in this country is not as important as whether they are explored at all. The fact that the gap year is regarded as something that needs to done abroad can be a disincentive: certain groups of young people who are not fully engaged in taking advantage of gap-year opportunities might not want to go abroad, or might feel that it is beyond their means. Structured voluntary sector programmes in this country might open up possibilities for self-development to those who are not already taking advantage of such opportunities.

12.1 pm

Mr. Tim Boswell (Daventry): It is conventional to congratulate the hon. Member who secures an Adjournment debate. On this occasion, I want to go further by congratulating my hon. Friend the Member for Guildford (Mr. St. Aubyn) not only on initiating the debate and making an eloquent contribution, but on his personal, hands-on role in the Year Out Group, which will be launched after the conclusion of this debate. It is unusual, but welcome, for a Member of Parliament to be so directly involved in such a group.

The Chamber in Westminster Hall was devised to provide an opportunity for hon. Members to express consensus on matters that do not always enter into party political controversy. I hope that I do not spoil that consensus. It was not spoiled by my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke), or by the hon. Member for Oxford, West and Abingdon (Dr. Harris), and I suspect that it will not be spoiled by the Minister. I congratulate those hon. Members, in retrospect or in advance, on that consensus. We should welcome the fact that we can reach such consensus from time to time. It is remarkable that, by osmosis and a good deal of hard work, the Year Out Group already includes a strong collection of big hitters, and offers a huge range of opportunities to young people.

I begin by dealing with potentially contentious matters. The Minister would be surprised if those did not relate primarily to resources, although I strongly echo the comments that were made about the importance of adequate guidance for young people. To some extent, that guidance can be provided electronically through the new UCAS website, the Year Out Group and the higher education institutions. However, information is no substitute for guidance.

[Mr. Tim Boswell]

There is concern—to be debated in another context—about the new arrangements for the guidance of young people that are being introduced by the Government. They lay strong emphasis on dealing with the problems of the socially excluded. I have no problem with that emphasis, but it must not come at the expense of offering proper guidance to all young people. All young people have difficulties and opportunities, and need personal support in making choices.

The second issue is that of resources. I would be surprised and a touch shocked if the Minister got up and said that anyone who wants to take a year out will be fully funded to do so. That is not a realistic aspiration at this stage, but the Minister should bear in mind two matters. The first, to which reference has been made, is that when young people take a year out there is an opportunity cost to them, because they do not earn much during that period. Secondly, taking a gap year can add to the difficulties that may already be experienced as a result of recent changes to the higher education support system. Many young people will finish their higher education with a debt exceeding £10,000, so taking a non-earning year out before they reach the labour market, even if it has long-term benefits, must give them cause for thought. I hope that the Minister will take an holistic look at the overall impact on young people, as well as the impact on specific young people who lack the advantages that some of us have had. They, too, should have the right to share in such programmes if they would benefit hugely from doing so.

We must remember that all young people are individuals whose aspirations, confidence and wishes vary hugely. It would be wrong to send out a signal suggesting a conscription programme in which all young people are expected to participate. Each young person must decide whether and when to participate in a year-out programme and then choose the programme that is right for them. Some may seek activities for personal improvement at home or in their spare time, rather than take a formal year out. Both forms of experience can be valuable.

Guidance is important because young people will need to draw on the counsel and wisdom of parents, friends, teachers and, perhaps, the universities admitting them. I welcome the fact that universities now accept that prior experience is a positive benefit for young people. However, I would not wish them to make such experience a precondition of entry, nor do I anticipate their doing so. The decision should be for them, and the Minister and the Department would be ill advised to stir the system too strongly.

The Minister's encouragement and involvement is welcome. She should be able to offer advice on the guidelines, keep a close watch on what the Year Out Group is doing, and participate in appraisals and statistical activities with the various agencies and the group, but each young person should make a choice and we should keep our hands off. Any involvement by an institution should be solely a matter for the young person and the institution—Ministers should not directly interfere.

This is a general debate and it would not be helpful to give a personal curriculum vitae, but I shall draw on some of my experiences gained since my undergraduate years—I now realise that they were 40 years ago—and as an education Minister. Perhaps I should declare a non-interest in that I did not take a gap year, although I participated in a number of other extra-curricular activities before going to university. I seemed to learn quite a lot about civil defence, and when I got to university I found myself president of my junior common room. Those were the sort of activities that people did then and they were not irrelevant, even though they did not constitute a formal gap year.

Since that time, there has been a huge change in the character of higher education in this country. We have moved from what was—it was not intended to be—a largely elite system to a massified system. I do not mind that because it has been a positive development, encouraged by Conservative Governments. A third of our young people now go through higher education. However, that has inevitably affected the experience and nature of those participating.

One or two generations ago, many people went to higher education from well-known independent schools or leading grammar schools; now, there is much broader participation, and that is right and proper. The issue is not only that of resources and the economic background of students and potential students, but of students' confidence and social skills. The paradox is that, while many people would benefit hugely from the opportunities of a year out, their background and the resources immediately available to them make it less likely that they will apply or take part. They might even be discouraged, or feel themselves discouraged, from doing so.

That is a social problem that the Minister will not solve this morning, but I hope that the resources available to her and the powers of encouragement that she has are directed towards creating a better balance. Our common interest, which was well expressed by my hon. Friend the Member for Guildford, is to ensure that, as people from all backgrounds move through higher education, they exploit all the opportunities available to them. They should not be excluded by an accident of education or geography.

My final comments relate to the education experience itself. There have been suggestions—which are, to some extent, concomitant on the expansion of the sector, the huge changes in the labour market, the development of globalisation and so forth—that higher education is simply a commercial development activity, as though one went through it as a staging post on the way to a lucrative career. That may be so—indeed, there is plenty of evidence that the ancient universities began primarily as vocational establishments, training people for service in public life in various capacities—but it is not the whole experience, nor should it become that. Universities have much more to offer an individual in terms of development than merely the ability to join the labour market at a higher rung than they would otherwise have done.

There is a good deal of evidence, much of which has been brought out in this debate, that the experience of a year out is very beneficial to the individual, partly because it is different from what he or she would have

been doing at university: it is a different chunk of the map. It is often also beneficial to a student's future employer.

I did not take a formal year out myself, so I shall to draw on the experience of two young people whom I know well. Our children's contemporaries have been students in the past decade. I have seen the difference between the undergraduate who is reading for her first degree and the same person who is reading for her second first degree at another university, with a view to becoming a lawyer. The 21-year-old undergraduate was a very different person from the 18-year-old undergraduate. Another young person of my acquaintance, who went to university very early, had an interesting year out, which she divided between an advanced cookery course and working on the Archbishop of Canterbury's staff. As the late Eric Morecambe would have said, there is no answer to that. In diversifying their experience, those young people expressed the wisdom of centuries of educationists who have never seen the university or higher study as a degree factory, but regard it as a place for developing a rounded person.

In two respects, the year out is valuable. First, in many cases, it provides a physically demanding set of tests: it is the old idea, at which we should not scoff, of a healthy mind in a healthy body, although that is not possible for everyone. Secondly, it provides a moral challenge: many of my generation can still respond to Kennedy's inspiration for the Peace Corps and to the idea of asking

not what your country can do for you

but

what you can do for your country—

or, indeed, for other countries. I hope that all parties share that healthy aspiration. It is a spark in young people that we must kindle, not extinguish. We welcome the initiative unreservedly.

12.15 pm

The Parliamentary Under-Secretary of State for Education and Employment (Ms Margaret Hodge): It is a joy to participate in debates in Westminster Hall. They are informative and consensual, and I am sure that we all agree that they provide a better way in which to discuss issues that are important to our constituents.

I congratulate the hon. Member for Guildford (Mr. St. Aubyn) on securing this debate and on the work that he has done to support the organisations that will today launch the Year Out Group. I have known the hon. Gentleman for some time—he and I sat on the Education and Employment Select Committee. Although we did not agree on every issue, I recognise him to be a man of integrity who has done much practical work as a Back Bencher. In this instance, his efforts will ensure that a sector that is of increasing importance to young people will develop. Growing numbers of young people are taking a year out at some stage during their period of maturing. I join him and other hon. Members who have spoken in congratulating the 20 leading organisations that have come together. That effort, with support from the Universities and Colleges Admissions Service and other groups, have ensured that today's launch will go ahead.

I must declare an interest. I have four children, three of whom have taken a gap year. Quite horrifyingly, one of my children is currently wending her way across the world. She sends us e-mails about sharks in Thailand, which leave me shivering, and about sheep-farming in Australia. In her most amusing e-mail, sent from Vietnam, she asked, "Mum, What's wrong with communism? Is it that different from new Labour?" Her e-mails suggest that her experience is enhancing her capacities and abilities and preparing her for university when she returns.

The right hon. Member for Cities of London and Westminster (Mr. Brooke) referred to his time in national service as his gap year. When he retires from the House, I am sure that he will have another gap year before he moves on to other activities. We all need the odd gap year in our lives to recoup, to recharge our batteries and to consider where to go next. Young people are no different in that respect. I did not have a gap year. I am afraid that my gap years involved the three years that I spent at university in the 1960s. I did not do a lot of work, although I underwent a great deal of personal development, and I still have nightmares about my lack of preparation for finals.

The hon. Member for Oxford, West and Abingdon (Dr. Harris) talked about the gap year after university, which is becoming increasingly popular. People also often talk about career breaks. A member of staff in my private office is currently doing massive overtime to secure his second or third career break, during which he wants to travel round the world. Good luck to him, too.

The Government have made it clear that one of our objectives is to secure a real increase in the number of people of all ages who become involved in voluntary activities. Many activities during the gap year involve volunteering. It is difficult to attract young people to voluntary activities, because they tend to think that such work involves people such as myself–middle-aged, middle-class women. Our challenge is to turn that perception around, build on young people's interests and ensure that when they put something into a community, they get something back. To the extent that the gap year complements our efforts in the voluntary sector, it is of great importance.

For many young people, the transition from school to college or university, or from university to work, is an especially important time in their life. The experience that they gain during that period can be formative to their career choices or their development later in life. It is a time in which young people are particularly open to new experiences and are looking to be challenged. What young people choose to do at those stages in their lives vary from individual to individual. For some, the gap year or the year out will work to their benefit and be life-altering. Every year, thousands of young people decide to take a year out after finishing their full-time education—whether post-school or post-university—before entering the labour market. They are able to choose to take part in an enormously varied range of activities during that period.

People tend to think of the gap year as being spent abroad. That is true in some cases, but not all. Some people choose to get work experience, take part in exchanges or join educational programmes that offer alternatives to more formal academic teaching. Voluntary work in this country is as important as

[Ms Margaret Hodge]

voluntary work abroad. It may involve anything from improving the environment to working with homeless people, to bringing arts and music into communities—in fact, any activity that one can think of. It is an endless list, and the benefits are enormous and valued.

The Government believe that young people should be able to take up the year-out opportunities that are right for them. Hon. Members have raised the question of Government financial support, and it may be helpful if I respond to that. We give support directly from the overseas training programme, which exists to give host projects help in undertaking specific pieces of work in developing countries. It aims to provide young people, many of whom may be interested in continuing to work in development, with a worthwhile experience. It also aims to promote international understanding. The programme is funded by the Overseas Development Administration and managed by VSO, so it receives money directly. Placements are currently limited, but a start has been made. Having known a couple of people who have been involved in the programme, I know that it is successful.

A range of opportunities are funded through Europe. The Erasmus programme promotes student mobility and offers the opportunity to study and learn other languages. About 10,000 UK students took part in it last year. The European Union also offers the Leonardo da Vinci programme, which provides vocational training. The youth exchange centre administers the British Council youth millennium awards scheme, which enables 18 to 25-year-olds to spend time abroad developing skills that will benefit their local communities. The European voluntary service enables young people in EU member states to spend up to a year doing voluntary work. My nephew took part in that, and gained worthwhile experience in France. The "Youth for Europe" programme arranges international exchanges, seminars, project training and other activities. I hope that that quick run through the range of initiatives by which the Government directly fund programmes shows the range of opportunities that are available to young people to broaden their horizons.

We should remember that the year out may not be right for everyone, and some young people will not want to take it up. While respecting everyone's individual decisions, we must ensure that they make informed choices. That is why we are supporting the Year Out Group. The group's guidelines are very useful to young people and their advisers. They encourage young people to ask the right questions and open up opportunities that they would not have thought about before taking their year out.

Several hon. Members referred to the function of the careers service in providing advice and opportunities in relation to the gap year. We are in the process of establishing the new Connexions service, and I shall pass on the idea of advice on gap-year opportunities to my colleagues in the Department with responsibility for that. We will consider whether it can be covered in the prospectus on which the Department will soon be consulting.

Hon. Members have alluded to many of the benefits that result from a year out. The main benefits are gained by young people themselves. They learn vital skills that cannot be gained from academic involvement, known in today's terminology as soft skills, including working with other people and problem solving. They also gain self-confidence, which is important in later life. Those young people also learn about other people and about other environments with which they might otherwise never have contact. They gain impressions and experiences that will stay with them for the rest of their lives. Those experiences can help to motivate people who might have been disaffected in school, to change their perspectives, raise their aspirations and provide them with the knowledge that they have made a difference to other people and communities.

Other beneficiaries include the organisations with which young people spend their gap year, which are often helped to deliver work more effectively; and employers, who are able to recruit from a pool of young people with a wider set of talents. Moreover, educational institutions, including universities, are increasingly asking young people what they have achieved in addition to their academic qualifications. I endorse the comments made about the importance of the work done by UCAS to enable young people to apply for university in a more streamlined way. The personal statements, with which many of us have struggled to help our children, form part of those applications. As academic standards rise, the importance of that personal statement grows. If a young person can say that he or she plans to take a year out, and that that experience will be structured and relevant to his or her course, I would expect universities to see that as a way of differentiating between candidates. The personal growth that young people who have made good use of a gap year will have experienced when they start their studies will give them a head start over their peers.

I agree with all hon. Members, especially the hon. Member for Oxford, West and Abingdon, who said that the year out should be available to a broad range of people. There is a problem of equity, but it does not arise solely from money and resources; it is also connected with access to information and opportunity. That is why the initiative that we are launching today is so important. It is also about the much tougher agenda that the Government are attempting to address relating to access to higher education and ensuring greater equality through a range of initiatives.

The year out can also change young people's views on their contribution to communities. Learning the importance of community and enhancing the opportunities for individuals within the community are vital threads in the Government's agenda. We want young people to learn those lessons at an early stage. Equality and opportunity for the many are best enhanced through strong communities.

I notice that time is hurrying on, Mr. Deputy Speaker, so I shall conclude by saying that we have heard today about the setting up of the Year Out Group—an organisation that draws together several organisations involved in year-out activities. I endorse the work carried out by the hon. Member for Guildford; we believe the group to be a welcome development. Voluntary work can, and should, be challenging for the individual concerned. That is part of its reward. Working overseas has its own challenges and difficulties, and the group is confronting those issues

Speakers have mentioned many organisations involved in supporting young people who decide to take a year out. Some have charitable status; others are companies; they all offer young people the opportunity, here and abroad, to become involved in worthwhile activities. I am pleased to endorse the guidelines prepared by the Year Out Group, and I congratulate it on the website that it launched this morning. Both will ensure that young people are helped to make more informed choices about their lives, and to do so with greater confidence in the quality of the opportunities that they pursue.

I congratulate the hon. Member for Guildford on securing this debate, and I look forward to joining him at the launch of the Year Out Group. In the spirit of cross-party co-operation, I am happy to offer him a lift in the Government car, so that we get there on time.

Northern Ireland Fire Brigade

12.30 pm

Mr. Ken Maginnis (Fermanagh and South Tyrone): I am grateful for the opportunity to speak briefly on the plight—if that is not an exaggeration—of fire officers in Northern Ireland and some of the problems that they face, and have faced consistently, during the past 15 years. I acknowledge at an early stage that, subsequent to questions tabled by me, which were answered on 11 April, the Minister has taken steps to remedy certain problems. One of those problems would have led to the first strike by the fire service in Northern Ireland since 1977. I am grateful to the Minister, as are members of the Fire Brigades Union and the public at large, for quickly recognising the difficulties and taking steps to avert what would have been a serious problem.

I hope that the Minister will not think that I am nit-picking, but I want to draw attention to one or two points that relate to his answers to my questions. I know that Ministers approve answers, rather than prepare them, but he suggested in one answer that civil disturbance call-outs often involved children who threw stones at appliances. I hope that he will recognise that that is a derogatory way in which to regard some of the hazards that fire officers have faced down the years. Last weekend, we witnessed the sad effects of throwing stones during a football match. Similarly, as the Minister will acknowledge, in the past 30 years, firemen in Northern Ireland have been seriously injured, or have given their lives.

In another answer, the Minister said that firemen in Northern Ireland have four additional days leave a year, but on closer examination, he will realise that different fire authorities have different terms and conditions. Compared to firemen in certain regional fire authorities, those in Northern Ireland may indeed have an extra four days leave, but compared to the firemen in Northamptonshire, there is just one day's difference. Such issues must be carefully understood, so that we do not give the impression that there is a huge difference between firemen in Northern Ireland and those in other regions of the United Kingdom.

I shall deal in due course with some significant factors that affect the fire brigade in Northern Ireland, but at this stage, the Minister will acknowledge that the attempt to introduce a two-tier system in the Northern Ireland fire brigade has proved a folly. Since the most recent agreement in Northern Ireland, I have been bombarded with equality agendas. Everyone must now produce an equality agenda. I am waiting for my elderly next-door neighbour to produce an equality agenda for when he goes down the road to the pub for his pint. We are overwhelmed with equality agendas. Yet our newest young recruits were to be paid, as whole-time firemen, £24.99 a week less and, as retained firefighters, £1.24 per call-out less than their established colleagues, which is not acceptable.

One acknowledges the dangers of being a firefighter in Northern Ireland, and across the United Kingdom, but what do those dangers have to do with the extent to which firefighters are brought on the scene when there are civil disturbances? Sadly, although we hope, on a daily, weekly and monthly basis, to see a change in the situation, in 1998 there were 1,156 civil disturbance call-

[Mr. Ken Maginnis]

outs in Northern Ireland—these are the Minister's own figures—and in 1999 there were 555. That may seem like a halving of the problem, but if we take out the figures for one month—July—which two years ago was quite fraught, to put it mildly, and compare the remaining 11 months, in 1998 there were 413 other call-outs and the following year there were 476. That is considerably more than one a day.

Until the Minister took a hand subsequent to my written questions, there was folly in the way in which an agreement negotiated and put in place under the aegis of the Labour Relations Agency was to be swept aside. If one wonders why that was so, one has only to look at the fire authority's annual report for 1998-99. On page 25 it alludes to its financial difficulties and says:

> A significant control mechanism for containing costs was allowing employee numbers to fall.

It went on to detail the extent to which the numbers fell. The Northern Ireland fire authority's report shows that its fire service was being called in demonstrably more difficult circumstances than other fire brigades, with—again I emphasise this—traditionally fewer resources.

Following a review of fire cover in Northern Ireland some years ago a major report was published that took, as the costs, the figures for 1983-84. That may seem a long time ago, but at that time the per capita costs of the fire service made startling reading. I shall not compare them with the £17.40 per capita that the London fire brigade cost in that year. It is more realistic to compare Northern Ireland, with its large rural areas, to Scotland.

The Scottish brigade cost £13.55 per capita. The Northern Ireland fire service cost £9.74. That is a considerable difference, with about 28 per cent. less being invested in what I consider to be a comparable fire service. More up-to-date figures are difficult to come by, but the Chartered Institute of Public Finance and Accountancy produced figures for 1996-97, when the comparative figures were £24.83 per head of the population for Northern Ireland against £30.38 for Scotland. The estimate for 1998-99 showed Northern Ireland at £25.80 and Scotland at £33.45. I simply ask the Minister what the cumulative effect of the underfunding from 1983-84 to the present must be.

Mr. Lembit Öpik (Montgomeryshire): Will the hon. Gentleman clarify whether, in his judgment, the saving is mainly the result of reduced staffing or reduced equipment and resources in Northern Ireland?

Mr. Maginnis: If the hon. Gentleman will bear with me, I shall try to cover that later.

I know that statistics are boring, but we are talking about financial issues so statistics are important. The cost of responding to emergency calls across the regions varies considerably. In metropolitan fire and civil defence authorities, it is about £1,102 per call, whereas in Scotland it is as high as £1,377. Northern Ireland is the second lowest at £1,163. There is a fair difference between those figures.

Does the Minister accept that a major problem has to be tackled? The reality is that the cumulative effect is reflected in several ways, which brings us back to the question asked by the hon. Member for Montgomeryshire (Mr. Öpik). It is reflected in the cutting back of the establishment, which was identified in various reports including the 1998-99 annual report. We are talking about undermanning. There has also been a reduction in the updating and modernising of equipment and stations. I shall return to the subject of stations.

The cutback could inevitably be dangerous. I hope that I suggested that 77 per cent. of the budget pays for staffing. If there were a shortfall, it would be reflected in the quality of training and retraining. Nothing stands still in firefighting. There are changes and advances in technique and equipment to which I feel that the fire service in Northern Ireland is entitled, in the same way as any other fire service in the United Kingdom. I cannot quantify the extent to which training suffers, but I shall try to give an example of the undermanning and extrapolate that argument to other subjects. To do so is not unreasonable.

Page 25 of the fire authority's annual report refers to an approved establishment of 1,919 whole-time firemen and 980 retained firefighters. Yet the reality is that the number of full-time firemen has fallen from 895 to 872 and retained firefighters from 923 to 827. Administrative and manual personnel also decreased: from an establishment of 205 there was a fall from 196 to 191. If my mathematics is right, the figures show that a total establishment of 2,104 was reduced to 1,890. In other words, we are manning at a level 10 per cent. below what is required, in a context in which there were 16 deaths from fire in Northern Ireland in 1998 and 28 in 1999.

Let me return to the 827 retained firefighters. For presentational purposes, they are presumed to be available as 24-hour manpower units. In reality, 75 or 80 per cent. of them provide only limited availability—12-hour cover, perhaps—and two limited-availability retained firemen equal only one of what is intended. What we therefore require is not a reduction from 980 to 827, but more than 1,700 retained firefighters. I am quoting the fire authority's own figures. I may be boring people with these statistics, but I do not how to illustrate the point without referring to them.

I shall compare Essex fire brigade with that of Northern Ireland. Essex covers a population comparable—in fact, just a little less—to Northern Ireland's, though its geographical region is only a quarter of its size. In 1998, the Essex brigade reacted to just under 23,000 call-outs, compared with Northern Ireland's 32,000. Yet the manpower and budget for Essex is greater than for Northern Ireland.

I shall briefly move on to fire stations. In the Northern Ireland fire brigade's survey of 1984, a requirement for new retained part-time fire stations was listed. Sixteen years later, Aughnacloy in my constituency and Market Hill are still without fire stations. Similarly, there was to be an upgrading to provide greater full-time cover in places such as Coleraine, Newtownards, Portadown, Enniskillen and Omagh. Again, that has not happened and one wonders why. In fact, I know why—it is all to do with underfunding.

Some of those towns are well known for the wrong reasons. We all remember the tragedy in Enniskillen and the tragedy in Omagh. We are all aware of the tragic confrontation over the years in Portadown. Yet these major rural towns remain without adequate fire cover.

In considering those points, I ask the Minister to remember that Northern Ireland does not have the advantage of inter-regional back-up. If Essex is under pressure, a nearby region can provide support. There is no similar arrangement in Northern Ireland, and because of our political circumstances, we do not even receive much support from the Irish Republic. Our fire brigades will go across into Donegal, but because of the confrontational nature of society in Northern Ireland, that support is not reciprocated to any degree.

I understand that 15 stations are inadequately manned and require semi-permanent back-up arrangements that are placing neighbouring stations under huge strain. There is the danger that we will have inadequate cover for a tragedy. Why does the Northern Ireland fire authority not advertise in the local press to counter the undermanning? That would make an impact, and seems a simple way forward, yet it is not pursued. I wonder whether the fire authority is being kept fully acquainted with the facts. I believe that the authority is being kept in the dark in some respects.

As I said, I know that the Minister endeavours to provide meaningful responses when a serious issue is raised with him. We have averted the crisis and the firemen are comparatively happy. Can he move the situation forward on a broader basis? Given all Northern Ireland's problems, and its isolation from support, can he ensure that the fire service receives equipment and finance that are comparable with those in other regions of the United Kingdom? Despite the dedication of the fire officers, the people of Northern Ireland should not be required to accept second-rate fire and emergency protection.

12.53 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. George Howarth): I congratulate the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) on his choice of subject, and I thank him for his generous remarks about me. The Government appreciate the work that the Northern Ireland fire brigade has carried out during many long years of civil unrest. It has consistently provided a high quality of professional firefighting, without showing favour towards any part of the community, and I know that almost everybody in Northern Ireland agrees with that. The brigade is owed an enormous debt of gratitude, and I am happy to place on record my admiration and respect for its work and for the dedication and courage with which it carries out its work.

The hon. Member for Fermanagh and South Tyrone raised a couple of issues that arose from written answers that I gave him recently. We did not intend to cause offence by highlighting the stone-throwing incident, we merely wanted to point out that some incidents of disorder have no sectarian dimension. They are regrettable and should not be excused, indeed, they should be condemned, but they should not be seen as unique to Northern Ireland. Sadly, and unacceptably, such incidents are not unknown in all parts of the United Kingdom, including in my own constituency of Knowsley, North and Sefton, East. However, that does not undermine the fact that firefighters in Northern Ireland have had to carry out their job in difficult circumstances and, in many cases, in circumstances specific to Northern Ireland.

The hon. Gentleman also mentioned the written answer that I gave him, in which *Hansard* records that I said that there is

> a Northern Ireland allowance of four days additional leave.—[*Official Report*, 11 April 2000; Vol. 348, c. 126W.]

Hansard has accepted responsibility for the error, and has undertaken to correct the record accordingly. The correct answer, and the one that I submitted, was that Northern Ireland firefighters receive a Northern Ireland allowance and—the crucial word being "and"—four additional days' leave in comparison with firefighters in Great Britain. I did not want to cause offence or mislead the hon. Gentleman. It was simply an error in how *Hansard* presented the information. The Fire Brigades Union called for me to resign over the issue, but, fortunately, I could establish that *Hansard* had made the mistake rather than me, in time for me to retrieve my resignation letter from the Secretary of State's in-tray.

Mr. Maginnis: I shall certainly not endorse the call for the Minister to resign, but I quibble over even his amended answer. To pick out the phrase "four days" and suggest that Northern Ireland firefighters have four days more than all other fire brigades is not accurate either. In the case of Northampton, the difference is one day. We are dealing with packages, and we must not pick part of a package and suggest that the brigade is more favourably treated than other brigades.

Mr. Howarth: As the brigade receives those four days, it is treated more favourably than some other brigades. However, I accept that it is not unique, and that different local arrangements are involved.

I shall make three brief points before I conclude, as time is short. First, like the hon. Gentleman, I am pleased that the dispute that was looming has been resolved through sensible negotiation between the fire authority and the trade union involved, the Fire Brigades Union. A sensible conclusion was reached, and I am glad that I played a small part in encouraging them to negotiate a sensible solution to the problem. In such circumstances, the use of industrial action, which was threatened, is unsuitable, as I told the Fire Brigades Union, among others.

The hon. Gentleman raised two issues with which I shall deal briefly. The first related to the finances of the fire brigade and the authority, and the second related to manning levels. The fire authority's baseline budget allocation has risen from £43.7 million for 1998-99 to £51.4 million for the current year. In 1999, an upgraded control room was opened and training facilities at

[Mr. George Howarth]

Boucher crescent were improved. The modernisation and improvement of fire services throughout Northern Ireland has been pursued through the development of efficient maintenance of the fire brigade fleet and firefighting equipment, of which there have been several examples.

The authority's budget has increased by £2.9 million for the 1999-2000 allocation. An additional £4.9 million was allocated last year, which is an increase of 8.5 per cent. in real terms. There has also been benefits from the comprehensive spending review.

Mr. Deputy Speaker (Mr. McWilliam): Order. Time is up.

Landfill Tax

1 pm

Dr. Alan Whitehead (Southampton, Test): I am delighted to have an opportunity to talk about the operation of the landfill levy. Until recently, that has received an almost universally positive reception, probably because people observe the two ends of the tax: first, as a tax on putting waste material into the ground instead of doing more imaginative things with it, such as recycling it or reusing it, and, secondly, the magical appearance of large sums of money for environmental schemes and good causes apparently as a result of the levying of the tax.

There can be no doubt that both observations are well grounded. The tax, which is the United Kingdom's first green tax, is in principle a sound application of the idea that one should tax "bads" rather than "goods". The indiscriminate dumping of our society's waste in landfill sites is clearly a considerable environmental bad that could be ameliorated by diverting substantial elements of the waste. A tax escalator that encourages such a change in behaviour is clearly a good idea. There is also no doubt that many local voluntary groups, church halls and environmental organisations have benefited from the £90 million that has so far been allocated from the proceeds of the tax. However, the bit in between the raising of the tax and the distribution of its elements is a problem and has rightly been the subject of a recent inquiry by the Select Committee on the Environment, Transport and Regional Affairs, and of a sustained inquiry by *The Guardian*.

The latter inquiry examined several aspects of the process and drew some frankly unfavourable conclusions, which will become part of the evidence in a further inquiry by the Environment, Transport and Regional Affairs Committee into the effect of the landfill tax later this year. I do not wish to trespass on that inquiry nor to cover all the issues raised by *The Guardian* inquiry, which covered a range of topics, including the illegal dumping of contaminated soil, the commonality of interest of environmental bodies handing out the money, the evasion of the tax itself, inspection of sites by the Environment Agency and several other issues. Rather, I want to concentrate my thoughts on an issue on which neither the Select Committee nor *The Guardian* inquiries focused .

Why is the operation of the tax beginning to go wrong? Is it because a few bad apples are taking advantage of a few holes in the legislation or is it something more serious, or are problems arising because of the design of the mechanism that takes us from the tax to the handouts? I believe that it is the latter. There are, and will be, attempted evasions, fly tipping and the illegal passing off of active waste as inert material. Indeed, *The Guardian* inquiry chronicled several such scams. They are almost an inevitable by-product of an increasing tax and demonstrate that the tax is beginning to work in that people think that it is worth their time and trouble trying to evade it. That is an important issue, but it is no different from the consequences of any other tax. The solution to the problem is to ensure that resources are available to secure proper enforcement of the regulations.

It is painfully clear that the Environment Agency does not have sufficient ability to investigate and enforce, and that the courts still fail to take environmental crimes as

seriously as they should. They are matters of process. Almost as a throwaway remark, we can say that, as a consequence of the landfill levy escalator, there will be a direct correlation between the level of tax and the level of attempted evasion, and that a proportion of the additional levy should be allocated to ensure that enforcement increases at the same rate as the tax.

It is the mechanism for distributing the tax or a portion of it that is seriously at fault. That will not be cured by better enforcement or by review of its working, as its basic logic is flawed. Unless we appreciate that, matters will get worse not better. That would be a great tragedy, because the input and output principles of the tax are sound.

Let us consider the logic of the mechanism. The tax is collected, but as it is a green tax it serves two purposes. The money does not simply go to the Exchequer, but is designed to assist a change in behaviour. On that principle, 20 per cent. of the tax take is to be recycled for environmental purposes. One might assume that that is for the purposes of the tax as stated at the time of its introduction, which were, according to a memorandum from Her Majesty's Customs and Excise submitted to the Environment Sub-Committee's inquiry,

> to promote the "polluter pays" principle, by increasing the price of landfill to better reflect its environmental costs

and

> to promote a more sustainable approach to waste management in which less is produced and more is recovered.

So, where does the 20 per cent. of the tax go? The Treasury designates it as tax forgone, which means that it is regarded as having never been collected. I imagine that that is to do with Treasury rules, hypothecation and so on, but the result is that the tax, which is clearly a real tax and public money, stays in the hands of the companies that pay it. Those are the companies that collect waste and place it in landfill sites. One might imagine that they pass the costs on to the people from whom they collect, which escalates the costs and the concern about tipping in landfill sites.

Instead of paying the 20 per cent. to the Exchequer, the companies pay it as a tax forgone to the environmental bodies credit scheme, which comprises several organisations set up specifically to receive the money and disburse it to good causes. Those causes are specified under the scheme in six headings, which, roughly, are land reclamation, reduction of the effects of pollution on such land, research and development into sustainable waste management, the provision or maintenance of a park or similar amenity if it is in the vicinity of a landfill site, the restoration of a building for religious worship if it has an environmental connotation, and administrative services to other environmental bodies. Strikingly absent from that list is any provision for money for recycling, an omission that has been rectified only now, four years after the commencement of the scheme.

We may ask ourselves who carries out the overwhelming amount of recycling, and the answer would be the local authorities. They also have to pay to put their waste into landfill sites, and the more that the tax goes up, the more that they will pay. They will pay from the same legislatively limited revenue funding as they might otherwise use for the promotion and extension of recycling, which is one of the aims of the landfill levy in the first place. We have established that they cannot recover money for recycling from the environmental bodies credit scheme, because that was not included in the six headings and has been added only recently.

We might think that matters would be different now that the rules have been changed to include recycling, but that is not so. The rules state that only registered environmental bodies can receive money from the 20 per cent. of the tax under the terms of the environmental bodies credit scheme. To date, 1,200 such bodies have been registered with ENTRUST, a private company limited by guarantee, which regulates the scheme. However, if they are to register, the bodies have to be certified as not being controlled directly or indirectly by a local authority or a landfill operator.

Local authorities are therefore organised out of getting their hands on any proceeds of the tax. The most that they can do is attempt to press the case or otherwise support one of the registered environmental bodies to obtain money locally that might support the environmental objectives that they find increasingly difficult to sustain by themselves. Hampshire county council and the city councils of Portsmouth and Southampton made a joint submission to the Environment Sub-Committee inquiry in which they estimated that 20 per cent. of their waste management budgets went simply on landfill tax.

The same restriction does not apply to the landfill operators. They have set up, as a vehicle for the distribution of the tax forgone, a number of environmental trusts, supposedly at arm's length from the landfill companies, which are empowered to make the decisions on how to distribute the money. Furthermore, landfill companies can claim a tax credit of up to 90 per cent. of their contributions, so only 10 per cent. of the money that goes into the environmental trusts is real money donated by the landfill company.

A bizarre twist then arises. ENTRUST authorised landfill companies to raise the other 10 per cent by soliciting so-called third party contributions—another organisation would pay the money on behalf of the landfill companies, but, curiously, the landfill company can continue to claim tax relief on the money as if it had paid it. So the landfill company may appear to have donated, for example, £100,000 to an environmental trust, but in reality it gains around £3,000 net from the process.

Notwithstanding that, the landfill companies exercise substantial control over the environmental trusts into which taxpayers' money goes. Thus, Cory Waste Ltd. has an associated environmental trust, Cory Environmental Ltd., the Onyx Environmental Group has the Onyx Environmental Trust and so on. It is, therefore, not surprising that the pattern of allocation of funds between the various headings shows that 55 per cent. of all funds go to just one category—category D—covering the provision or maintenance of amenities in the vicinity of landfill tips. It is as if the board giving out lottery grants consisted of the shops selling the lottery tickets, convened area by area, and empowered to provide community centres down the road with the name of the relevant sweetshop on them.

I am not blaming the landfill companies. They are rational businesses and will do what is best for their businesses. They have found that they can appear to be

[Dr. Alan Whitehead]

positive stewards of the environment and can secure greater acceptance of their landfill sites in particular locations by showering the vicinity with environmental goodies, using our money to do so, and all quite legally. I do not blame the landfill companies for seeking to offset their 10 per cent. contributions when many hungry organisations can see the sense of seeding the pot with a relatively small sum to secure a far greater amount in grant for a cause that they favour. That motivation is especially strong for companies that were excluded from the carve up because of the way in which the scheme was set up. It is no surprise that many local authorities have contributed the additional 10 per cent. on the understanding that a project that they favour will receive funds from the environmental trust.

I cannot blame local authorities for doing that because it is a rational response to the irrational set of circumstances in which they find themselves. What is peculiar is that there is no published register of third-party contributions, so the public cannot see who has put in the additional 10 per cent. and to what extent it correlates with the award of grants. What is even more peculiar is that, until last autumn, even ENTRUST did not know the identities of those contributors. That has changed to a limited extent in response to a recommendation of the Select Committee on the Environment, Transport and Regional Affairs that a register be made public. The Government stated that changes in the 1999 Budget rules would introduce a

> new requirement that ENTRUST be notified of the identity of third parties. This will enable ENTRUST to be satisfied that no benefit arises from the contribution. The Government sees no need to go further by requiring that a public register be kept.

That is the final piece of strangeness. Why do people give unsolicited contributions of 10 per cent. of the cost of the liability of the landfill company if it is not to secure some benefit? Is there any reason, other than occasional and breathtaking philanthropy, for apparently anonymous donations to be used by landfill companies as if the money had originated with them?

All in all, it does not surprise me that there are occasional excesses and self-serving use of the money, as shown by the example unearthed by *The Guardian* of a supposed experimental environmental road which—well, I never—led to a landfill site and was used only by lorries going to and from that site. I am surprised that things are not much worse. It is perhaps to the credit of the bodies regulating the scheme, and of the landfill companies on the whole, that a scheme that almost seems set up to be abused in most cases has not been. The loser in all this is the prime objective of the tax—to promote a more sustainable approach to waste management, in which less waste is produced and more is recovered or recycled.

Dozens of churches have been restored, hundreds of parks laid out and scores of contaminated sites remediated and landscaped. That is all very good, but are they squarely in the front line of the stated objective of the tax? At some stage, logically, we will run out of churches, parks and ancient household waste tips in the vicinity of landfill sites. What will we do with the money then?

It is high time for a fundamental review of the way in which the scheme is constructed. It is not that it has not done good: it has. It is not that it is hopelessly corrupt: it is not. It is simply that it is badly set up and its results are far from being what they could be if it were differently conceived.

We should start with some simple building blocks. I have three suggestions. First, the money should be handed over as a tax obligation to an independent organisation for consideration and distribution; secondly, the key terms of reference of this organisation should be the original aims of the tax; thirdly, a portion of the money made available should be set aside for a local authority challenge fund to assist with investment in recycling and reuse at local level, which is vital if waste is to be diverted before it enters the stream that leads to landfill. Those three simple rules could transform the way in which we administer and distribute the income from this most worthwhile of taxes.

1.16 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I congratulate my hon. Friend the Member for Southampton, Test (Dr. Whitehead) on securing this debate. I know that it is a subject that he has followed with great interest over a long period.

I agree with him that the landfill tax is a worthwhile tax. The Government are committed to reducing the environmental consequences on land of the way in which we dispose of waste. I very much welcome this opportunity to discuss the role that the tax plays in helping us to achieve that aim.

The tax was introduced on 1 October 1996 and, as my hon. Friend said, had predominantly environmental objectives. I agree that it has done much good. It forms a key element of the Government's waste strategy, with its aims of recovering the environmental costs of landfilling and encouraging waste producers to consider more environmentally friendly alternatives to landfill such as waste minimisation, reuse and recycling. There are two rates of tax—a lower rate of £2 a tonne on inert waste, such as soil and stone, and a standard rate of £11 a tonne on active waste, including household waste, which has a greater potential to pollute the environment.

The tax is already having a marked impact on waste management practices, but we want it to have a greater effect. Therefore, in the 1999 Budget the Chancellor announced that the standard rate would be increased by £1 a tonne each year, with a review in 2004. The first of those increases has just taken place. This escalator will encourage greater diversion from landfill and will allow waste producers and managers to plan future waste management effectively. It also represents a prudent approach, because it allows us to measure the effects of the increases in tax and the tax's performance before we decide on a longer-term strategy for the rates that should be applied to the tax.

We need to keep an eye on the way things are going, to make sure that the landfill tax is achieving its objectives. That is why we carried out a major review of it, which was reported at the March 1998 Budget.

My hon. Friend referred to recent allegations of fraudulent abuse of the landfill tax and the environmental bodies credit scheme. We take any allegations of abuse extremely seriously. For example, Customs and Excise and ENTRUST uncovered last year, in the course of ENTRUST's enforcement work,

serious allegations of misuse of scheme funds, which are under investigation by the Serious Fraud Office, and Hertfordshire police have made seven arrests. Customs and officials at the Department of the Environment, Transport and the Regions have now also received the 85-page dossier prepared by *The Guardian* following its investigations. Those allegations are being examined carefully, but I cannot respond to the conclusions and recommendations until the examination is complete. However, I want to comment in general on some of the issues raised by the dossier and by my hon. Friend.

On the environmental bodies credit scheme, which was introduced at the same time as the tax, landfill site operators who contribute to approved environmental bodies can, as my hon. Friend said, reclaim 90 per cent. of their contribution as a tax credit, up to a ceiling of 20 per cent. of their landfill tax liability. A contribution can also be generated by third-party contributors who fund favoured environmental projects through an operator. The scheme supports projects that improve local communities around landfill sites, reclaim brownfield land, or support research into, and education about, more sustainable waste management.

Since its inception, the scheme has raised about £250 million, which has been handed over to the environmental bodies. As my hon. Friend said, about £90 million of that sum has so far been spent, and we need to ensure that the apparent lag does not continue for too long. The amount that is handed over and the amount that is spent must match reasonably closely. At the moment, the scheme costs the Treasury about £80 million a year in forgone revenue, and is regulated by ENTRUST, to which my hon. Friend referred.

A number of changes were made to the scheme from 1 January. As my hon. Friend noted, recycling was explicitly added to those research projects that can attract funding, thereby creating a new category that covers market development for recycled products. The Government want to encourage greater spending in those areas. How and when operators can claim credits was simplified, and the scheme's rules were changed to make it clear that third-party contributors cannot benefit from projects that they fund.

A main aim of the tax credit scheme is to involve the private sector in supporting environmental projects, so it is not surprising that industry should be involved in how the money is spent. However, a contributor is not allowed to gain a direct benefit from a donation. A contributing operator or other third party who wants to finance an environmental project may benefit only in a general sense—for example, through improved standing in the local community or publicly available research.

To help prevent "direct benefit", operators cannot control those environmental bodies that receive their contributions. However, there is nothing to prevent operators from influencing bodies to which they donate. Indeed, in respect of large donations, Customs and Excise recommends that operators have such an influence, or that they at least take a close interest in the project, so that they can ensure that the money is properly spent. Customs and Excise has told me that it will seek repayment of tax credits from any operator who fails to take such precautions, and whose contributions are subsequently mis-spent.

Of course, all manner of influences may help to determine where and how contributions are eventually spent. Foremost is the landfill site operator, but other influences include local communities around landfill sites, third-party contributors, customers of operators—including local authorities—and specialist advisers such as non-governmental organisations. We see nothing wrong in that, so long as contributions are spent on approved objects and contributing people or organisations do not benefit directly.

As regulator of the environmental bodies credit scheme, it is the job of ENTRUST to ensure that the money is properly spent by environmental bodies, and that no direct benefit passes to contributors. Customs and Excise, which audits ENTRUST's performance to ensure that it meets an acceptable standard, is satisfied that ENTRUST now has appropriate systems in place to identify abuses and revoke non-compliant bodies. Those are the mechanisms and systems that led to the arrests to which I referred. ENTRUST has carried out about 500 assurance visits since the scheme's inception. ENTRUST cannot guarantee that no fraud or abuse is taking place within the scheme, but Customs and Excise has assured me that ENTRUST is fully investigating the new allegations and will report to it on its findings. The Government will carefully consider any concerns that arise from that report. I note my hon. Friend's point about public access to the register of third-party bodies.

My hon. Friend would like more funding for local authorities to help with investment in plant and equipment to recycle more household waste and divert more waste from landfill. The case for such additional expenditure will of course be considered as part of this year's spending review, because recycling and support for recycling is a call on mainstream Government spending. Recycling schemes have to be considered in the round, alongside other priorities such as health and education.

I point out to my hon. Friend that if the cash that can currently be credited to those who pay landfill tax were to become instead a fund directed by the Government, it would count as public spending, whereas the existing scheme does not. That spending would need to be contained within the envelope of total public spending, which has already been announced for the next three years. My hon. Friend's proposal would therefore lead to reduced spending on recycling, which is contrary to his intentions. However, if the organisation were to be independent of the Government, and managed a portfolio of projects, and landfill tax payers chose where their credits were directed within that portfolio, it might not count as public spending. That is an interesting idea that I should like to consider further, and I am grateful to my hon. Friend for raising it. However, I caution him that if, as he suggested, some of that money was then handed to local authorities, it would certainly count as public spending. That reinforces my point that the real decisions concerning public support for recycling must be taken in the context of the spending review.

I have not yet worked out how it is possible for a company to donate £100,000 to an environmental body and find itself £3,000 better off at the end of the transaction, as my hon. Friend suggested. If he has any examples, I would be keen to see them.

[Mr. Stephen Timms]

The Government would like more environmental bodies to support more local authority recycling projects. We are considering ways of improving the performance of the scheme by encouraging contributors to target their funding at more strategic projects. We have expressed the view that more of the available money should go into sustainable waste management, such as waste minimisation, reuse, recycling and the development of markets for recycled products. Officials are working with the waste management industry, ENTRUST and environmental bodies to develop guidelines to achieve that.

I turn to activities that are exempt from waste management licensing. Landfill tax applies only to waste disposal landfill sites that are licensed under environmental law because that activity has the environmental cost that the tax was designed to recover. Some activities involving the recovery of inert waste are exempt from waste management licensing, provided that they comply with the terms of the exemption and do not endanger health or the environment. The recovery of waste under those exemptions from licensing can include the construction of roadways, buildings and recreational facilities such as golf courses.

The "Dispatches" television programme on 6 April blamed the alleged abuses of the exempt activities regime and illegal fly tipping on the desire to avoid paying landfill tax. However, in one of the cases shown, in which the waste came from a contaminated brownfield site, the disposal would probably have qualified for exemption from landfill tax under the contaminated land exemption if it had been taken to a licensed site. In another case, the waste, if taxed, would have attracted only the lower rate of £2 per tonne.

The Government, recognising that the tax was leading to a serious shortfall in suitable inert waste for restoring landfill sites and filling quarries, introduced an exemption from tax for waste used for such purposes from 1 October last year. It is therefore difficult to see how the tax promotes the illegal dumping of inert waste.

Dr. Whitehead: Will the Minister give way?

Mr. Timms: I do not think that I can, given the time. I apologise to my hon. Friend.

The Government take very seriously illegal dumping and the abuse of licensing exemptions, which are criminal offences. I remind hon. Members that my right hon. Friend the Minister for the Environment announced to the House on 18 April that he is reviewing the two waste licensing exemptions that are subject to allegations of abuse—those covering recreational facilities and the improvement of agricultural land. There will be a consultation paper setting out the proposed changes to the current exemptions.

I look forward to the debate on the operation of the tax and to hearing the views of hon. Members on how we can best use the tax and credit scheme to achieve national waste policy objectives and create a more sustainable waste management system. My hon. Friend will be an active and particularly well-informed participant in that debate, but I suggest that the case for proposals such as that which he made today for a local authority challenge fund for recycling projects will be considered primarily within the spending review 2000.

Meteorological Office, Tiree

1.30 pm

Mrs. Ray Michie (Argyll and Bute): I am grateful for the opportunity to debate the proposed closure of the manned meteorological station on the Island of Tiree in my constituency.

I shall begin by setting the scene, with a brief description of the island and its situation, and by welcoming the Under-Secretary of State for Defence, the hon. Member for Kirkcaldy (Dr. Moonie). He represents a Scottish constituency, albeit one in the central belt. He may not have visited Tiree, but I am sure that he has some idea of its location. If he has not visited Tiree, I extend a warm invitation to him to do so. He will know from the forecast on the radio that Tiree has the largest number of hours of sunshine in the United Kingdom. There is also a tremendous wind that blows all the time. I also welcome other hon. Members who have come for the debate, particularly the hon. Member for Wolverhampton, South-West (Ms Jones). That may seem to be an unlikely place, in this context, but I know that she takes an interest in the island and has visited it recently.

Tiree is a jewel of an island, situated off the west coast of Scotland, a four-hour trip from Oban by Caledonian MacBrayne ferry. There is nothing beyond it, except America. The island is 11 miles long and six miles wide at its widest part, and its Gaelic name, Tir Iodh, means the land of corn. It was once known as "the granary of the islands", in the days when there was a great export trade between the islands. Its main exports now are quality sheep and cattle, or they were, before the dreadful downturn in the agriculture industry. In 1831, the population was 4,450; it is now less than 800 and falling.

I am aware of the Met Office's long and honourable history. Formed as a small department within the Board of Trade in 1854, it was taken under the wing of the Air Ministry after the first world war. Later, it moved to the Ministry of Defence, becoming, first, an executive agency and, in 1996, a trading fund.

Our debate is about the closure of the meteorological office on Tiree. The Met Office's headquarters is in Bracknell, in Berkshire. It employs over 2,000 people and five of those are employed at the office on Tiree. The Tiree station started work in 1926, and has produced valuable weather reports ever since. Five jobs does not represent much in the great scheme of things. Nevertheless, to a small community, it is the equivalent of 50 or more jobs elsewhere. The Minister will argue that the station on Tiree is not closing altogether; it is to be automated and will continue to produce weather reports. He will also argue that the five involved will not lose their jobs and that they will be relocated. Well, that would be good. However, would they prefer to live on Tiree or to be relocated to Bracknell? I suspect that that is a rhetorical question.

Tiree, which has a small and falling population and a fragile economy, will lose five jobs. Five families will be affected, and five children will be withdrawn from an excellent school, which may suffer the loss of a teacher's job.

In a written question, I asked the Secretary of State for Defence about the assessment he has made of the social and economic impact on remote and island communities of the automation of meteorological stations.

The Under-Secretary of State for Defence replied:

> This is a matter for the Chief Executive of the Meteorological Office.

The Minister asked the chief executive to write to me, which he kindly did. In that letter, which is published in the written answer, he said:

> The Met Office is looking to improve efficiency and reduce costs in the delivery of weather services ... We recognise that the withdrawal of the Met Office observers from Tiree, should this be the outcome, could have an adverse impact on the local community, and this I would very much regret.—[*Official Report*, 18 April 2000; Vol. 348, c. 432W.]

It was very nice of him to say that, but what will he do? He did not say. What will the Minister do? He cannot shuffle off his responsibility. We are discussing not simply the automation of a weather station but the way in which the Government care for their people and what they can do to help to sustain a fragile community.

The Minister will no doubt argue that we must move with the times—new technology is the name of the game, and we are told to be cost effective and to make money. People, it seems, do not matter. I am afraid, however, that the brave new world of information technology was somewhat dented by the recent crashes in the stock market computer system and by the love letters that were sent to the House of Commons.

Can the Minister say, with hand on heart, that the quality of weather information that is gathered by an automated station is as good as, or superior to, that which is gathered by a trained expert? For example, a machine can presumably report on the height of clouds above it, but can it look around, as the human eye can, and see whether storm clouds are gathering on the horizon? I am not a technical expert, and the Minister may be able to answer my question.

The Minister will argue that the collection of weather data will still be undertaken because the Met Office will train airport staff to help regular and air ambulance flights that go to and from Tiree airport. However, I question the quality of the data that may be gathered. The main issue is primarily the loss of jobs.

Mr. Alasdair Morgan (Galloway and Upper Nithsdale): The hon. Lady shares my concerns about this matter. Is she aware that after the closure of the Shetland weather station, on at least two occasions aircraft flying to Sumburgh had to divert at the last minute because the automatic system failed to give adequate warning of changes in the weather?

Mrs. Michie: I am grateful to the hon. Gentleman for giving a good example of the worries that are felt about automation. In a moment, I shall discuss the example of Kirkwall.

The Minister will no doubt maintain that sustainable development of the islands is a matter for the Scottish Parliament and for Highlands and Islands Enterprise. The Ministry of Defence will not help if it undermines local efforts. Too often, decisions are made in Westminster without any regard to the consequences. After all, five jobs on a remote island such as Tiree must look like peanuts compared to the numbers involved in

[Mrs. Ray Michie]

the developments between Rover and BMW, about which the Secretary of State for Trade and Industry made a statement in the House yesterday. He said:

> Our priority now is to do everything we can to help those who will be affected, to provide training and to attract new jobs to the area. That is the role of Government—to manage change and to equip people for change, not to leave them the innocent victims of change.—[*Official Report*, 9 May 2000; Vol. 349, c. 645.]

Today's debate highlights the fact that Tiree is to be the innocent victim of change, unless the Minister can come up with a similar answer to that given by the Secretary of State for Trade and Industry. That would be very welcome. The almost callous way in which these things are done is hard to take. Did the Minister or the chief executive think to inform anyone about what was to happen? Did they consult the local council in Argyll and Bute, the local community council, or the Member of Parliament?

Other stations in Scotland under threat include Kirkwall in Orkney—where concerns have been raised about the partly automated station, and about the quality of forecasting since forecasters were withdrawn—and Aviemore, the only staffed inland weather station involved with the mountain rescue service. The decision to close that station would be a rash one.

However, today's debate is about Tiree. What help or support can the Minister give? I understand that the Bracknell headquarters is to move into a modern building in another area, at a cost of millions of pounds. I suggest that a contribution could be made to the Tiree economy with, for example, financial support for the new livestock mart which has to be built to meet European Union standards. If it is not built, agriculture will suffer and more jobs will be lost.

Finally, will the Minister, in conjunction with the chief executive, examine the possibility of decentralisation by moving IT-based activities that are not geographically specific to Tiree? Why does everything have to be done at Bracknell? I hope that I have given the Minister some idea of my great concern. I thank him for listening and look forward to his reply.

1.42 pm

Mr. Robert Key (Salisbury): I am grateful to the hon. Member for Argyll and Bute (Mrs. Michie) and to the Minister for allowing me to intervene briefly in support of the hon. Lady's case and to enter a plea of common sense.

I am something of a weather groupie. One reason for that is that I spent most of my boyhood summer holidays on the west coast of Scotland. I am more familiar with Coll than with Tiree, but I understand the importance of any job in a rural community. That is also true in my own rural constituency, where we enjoy the Met Office C130 plane, affectionately known as "Snoopy Snack", flying in and out of Boscombe Down as part of the weather operations.

The Met Office has an annual revenue of nearly £155 million, and its largest customer is the Ministry of Defence, which contributes £55 million a year. The Civil Aviation Authority pays the Met Office £27 million a year, and other commercial customers contribute a further £21 million a year. Tiree represents a drop in the ocean. The Met Office employs 2,300 people, including 460 weather forecasters, 168 observers, 317 researchers, 825 people in computing and technical areas, 163 people in sales, marketing and other commercial areas, and nearly 250 in finance and support service posts.

The Met Office's mainframe super-computer has a peak processing power of 150 G-flops—that is, 150,000 million calculations a second—and is the fastest super-computer in Europe. A knowledge of the cost of everything and the value of nothing is one way of summing up the Met Office's approach. It grieves me to say that, because I am a huge fan of the Met Office and admire it greatly.

On relocation in the south, on 17 April 2000, at column 667 of *Hansard*, the hon. Member for Reading, East (Jane Griffiths) asked for a statement on the future of the Met Office and said, as a Labour Member of Parliament, that she hoped that its future location would not be in the Reading area, because the economy of the entire country needed to be considered as well as the congestion in the south-east. In the same column the Minister said that the aim of the Met Office

> is to enable individuals, society and enterprises everywhere to make the most of the weather and the natural environment.—[*Official Report*, 17 April 2000; Vol. 348, c. 677.]

Why, therefore, is the Met Office picking on five people in Tiree?

1.46 pm

The Parliamentary Under-Secretary of State for Defence (Dr. Lewis Moonie): I congratulate the hon. Member for Argyll and Bute (Mrs. Michie) on securing this debate, which has allowed us to discuss an issue of great local interest and concern. I was raised in the Outer Hebrides, so I have some familiarity with the topography of the region, although it is not nearly so sunny in Stornaway as it is in Tiree, as I am sure that the hon. Lady is well aware.

I am conscious of the sensitivity of this issue, as is the chief executive of the Met Office, and I shall try to reply as fully as possible in the time available to me to the points raised by hon. Members. In addition, the chief executive would like to extend an invitation to the hon. Member for Argyll and Bute, and any other hon. Member with concerns, to visit the Met Office's headquarters at Bracknell for a full briefing on this subject and to view the organisation's admittedly centralised operations at first hand.

I shall start by putting the issue of automation into context. The Met Office, in common with the meteorological services of many other countries, has steadily increased the contribution made by automated systems to its observing networks over the past 10 years. Since the early 1990s, automatic weather observing stations have been installed at a number of locations. They have been systematically developed since inception to provide increased capability and robustness.

Although the automatic weather system was originally conceived as an aid to the observer, it has always been capable of operating totally independently, and that is already the case in many locations. However, the equipment currently deployed does not have the functionality required to allow full automation of the

manned sites that comprise the basic observing network. It is the Met Office's intention to retain some manned sites, such as Lerwick, for that reason.

The automated measurement of some weather elements has, therefore, been accepted practice for many years and has enabled the Met Office to run its observational network at a much reduced cost to the taxpayer without compromising the quality of its services. As the hon. Lady will be aware, the Met Office is a Government trading fund and, as such, all its services must be paid for by customers, either directly, as in the case of commerce and industry, or indirectly through a wide variety of Government Departments.

The Met Office's customers wish to see increasing value for money. In addition, developments in forecasting require data to be available more frequently and from denser networks—for example, in the Scottish highlands—to provide improved services. Increased automation of the observational network is key to meeting those needs.

Development work has now been carried out to enable the automated measurement of additional observational elements such as radiation, sunshine and precipitation-related weather conditions, and trials are shortly to commence to assess the feasibility of extending the automation process into areas where, up to now, manual observations have been seen as necessary for the Met Office's operations. The trial, which is being conducted between May and December 2000, is the first stage of a two-year project planned to develop the observing infrastructure and to roll out automation to a number of sites, subject to a successful outcome. The initial roll-out is planned to commence with Aviemore in November 2000 and is due to be completed by December 2001, affecting approximately 11 sites throughout the United Kingdom. The automation of the manned offices in Tiree and Kirkwall is tentatively scheduled for summer 2001 and the office at Stornoway is due to be automated by the end of that year.

I stress that the manned observing offices in Scotland are being treated no differently from those in the rest of the United Kingdom. A similar proportion of stations in England are likely to be automated, given a satisfactory outcome of the trial. Moreover, the Met Office plans to retain a presence at several defence locations in Scotland. Lerwick will continue all its current activities, as well as taking on a programme of ozone measurement. That will include high altitude balloon ascents that contribute to the international monitoring of ozone depletion in the upper atmosphere and the global climate observing system.

Hon. Members have asked whether automated observations are an acceptable replacement for manual observations. As one would expect, there are advantages and disadvantages to the information from the automated equipment, when compared with information produced by an observer making visual estimates. Despite differences in the nature of automatic and manual data, the Met Office is confident that the trial will demonstrate that automatic systems can provide the data that is needed, and will not jeopardise the quality of its services. In fact, increased investment in future observational systems such as remote cameras, coupled with increased research and development, will help to make local forecasting more accurate.

I am, of course, aware that increased automation will have an impact on Met Office staff who work at the affected sites, including Tiree. I understand that the people involved already know that they will be withdrawn from their respective sites, subject to an acceptable outcome to the trial. The priority will be to find all affected staff suitable posts elsewhere in the Met Office. That will include retraining, where appropriate. Informal consultation is under way with the trade union, the Institution of Professionals, Managers and Specialists, and formal consultation is expected to take place within the next few months, once the course of the trial has become clear.

I am also conscious of the potential impact of the withdrawal of Met Office observers, should that be the outcome, on local communities. The services that are delivered by Highlands and Islands Airports Ltd. at Tiree, Kirkwall and Stornoway airports, which are essential to local aircraft operators, are likely to be particularly affected. I stress that responsibility for the provision of the aerodrome meteorological reports that are necessary for airport operations rests with HIAL, not the Met Office. Nevertheless, the Met Office entered into discussions with HIAL at the earliest opportunity to consider how HIAL could continue to provide the reports.

In the absence of Met Office observers, those discussions, which remain at an early stage, are concentrating from the outset on ensuring that HIAL staff are suitably prepared, in terms of both training and equipment, to enable them to maintain manned observing stations at Tiree, Kirkwall and Stornoway airports, should that be necessary. That will ensure the maintenance of the crucial manual elements that are required at aerodromes for observing present weather, cloud height and visibility.

I am sure that hon. Members are aware that several worries have recently been expressed, not least by the hon. and learned Member for Orkney and Shetland (Mr. Wallace), about the quality of forecasts produced by the Met Office for those engaged in aviation in the northern isles. Those comments have been noted with great concern by the Met Office, especially with regard to the quality of weather forecasts for Kirkwall that are provided to civil aviation, following the move of forecasting services from Kirkwall to Aberdeen some four years ago. It is true that, initially, the quality of forecasting services dropped, which was a matter of great concern. Consequently, in 1998, responsibility for Kirkwall forecasts was transferred to the weather centres at Sella Ness and Glasgow, the latter of which provided out-of-hours support. Since that transfer, the quality of aviation forecasts for Kirkwall has improved significantly, and now exceeds that which was achieved when they were produced at Kirkwall.

Notwithstanding those improvements in the quality of service, I am pleased to note that the Met Office is discussing the forecast quality issues at Kirkwall that the hon. and learned Member for Orkney and Shetland raised directly with the airline concerned. As a result of initial discussions, a new reporting system for monitoring and assuring aviation forecast quality for the northern isles is, as we speak, commencing a trial period. The aim is to ensure that the quality of the forecasts that are delivered to aircraft operators in the

[Dr. Lewis Moonie]

northern isles continues to meet the requirements of those operating in an area that can be subject to rapidly changing meteorological conditions.

Concerns have also been raised about the impact that the withdrawal of Met Office observers from Aviemore would have on safety in the surrounding mountains. There are a significant number of weather-related incidents in the Scottish mountains. For that reason, the Met Office is keen to ensure that its public safety role is enhanced, rather than diminished. It is working with other interested parties to ensure that weather information is more widely available and more comprehensive. The automation of observations at Aviemore will include the introduction of high-quality closed-circuit television, which will complement its installation at three other sites in the Scottish mountains and provide much improved coverage. Forecasters will be able to use the resulting pictures, together with other observed information, to enhance the quality of forecasts for the area.

The Met Office is also talking to the Scottish Executive and other bodies in Scotland in an effort to improve the weather services that it provides in the Scottish mountains. The talks are taking place with a view to introducing the improved services to walkers and climbers, skiers and the public at large, as well as the rescue services, before next winter.

Mrs. Michie: Even if I accept that automation will improve matters greatly, does the Ministry of Defence or the Met Office at Bracknell accept any responsibility for the impact that the withdrawal of five jobs will have on the community in Tiree?

Dr. Moonie: If I may, I shall finish the point that I was making. The introduction of automation at Aviemore should be seen not as a reduction in Met Office services or a lessening of its commitment to the Scottish mountains, but as part of what it hopes will be a major expansion.

These decisions are never taken lightly, and we recognise the importance of an admittedly small number of jobs in an area that does not have many. The Met Office must try to get the best value for money. It is constrained by the rules that govern a training fund, and by the wishes of its customers. Ultimately, its service must be dictated by those considerations. Of course, other agencies are involved, and I hope that they will be able to work with us, particularly through the Scottish Parliament, to provide alternatives. I fully accept the principle behind what the hon. Lady says. Given the increasing availability of automatic computer links, telecommunications networks and so on, it ought to be possible to decentralise many of the activities that currently take place centrally. I am sorry to say that, at present, that theoretical position is rarely matched by the will of agencies, public or private. Although there are teleworking initiatives in the highlands, which I welcome, I suspect that the process will be slow. I shall do what I can to help, but I must accept that I can do little to influence matters directly.

I deeply regret the loss of jobs— assuming that the trial is successful—in the hon. Lady's constituency, and I shall be happy to deal with any point that she wishes to raise. I would certainly welcome the opportunity to visit Tiree. I have never been there, largely because I am a terrible sailor. My youth was punctuated by remarkably intense bouts of seasickness. Of course, one can travel by air, and the boats are much better than the Loch Seaforth of the 1950s and early 1960s. I should be happy to meet the hon. Lady and discuss her concerns, and I thank her for raising this subject.

Question put and agreed to.

Adjourned accordingly at two minutes to Two o'clock.

Westminster Hall

Thursday 11 May 2000

[MR. MICHAEL J. MARTIN *in the Chair*]

Science-based Innovation

[*Relevant document: Second Report from the Science and Technology Committee, Session 1999-2000, HC 195.*]

Motion made, and Question proposed, That the sitting be now adjourned.—[*Mr. Clelland.*]

2.31 pm

Dr. Michael Clark (Rayleigh): It is my pleasure to start the debate. I sympathise with you, Mr. Deputy Speaker—the electronics in the Chamber are still being proven and the clocks are wrong. We understand that it will take a little time to get the technology working properly.

I am grateful for the opportunity to debate the Science and Technology Committee's report on innovation in the physical sciences and engineering industries. My contribution will be modest and short because other Committee members, past and present, want to speak. It is only right that they have a chance to do so because I have the privilege of being able to speak in every debate on such matters. The Minister has kindly accepted my apology for the fact that I shall have to leave the debate at 4.10 pm to Chair the Finance Bill at 4.30 pm. I will not be able to hear her response, but I promise to read it in *Hansard* as soon as I receive it.

Innovation starts with invention and goes on to development. I shall illustrate that by taking from my top pocket my orange Sainsbury's card—I hope that no one will reveal to the Minister responsible for science that I am using this piece of plastic for my demonstration. Way back in the early 1960s when I was a research chemist for ICI, I worked on co-polymers of polypropylene. To test the co-polymers that I was making, we used to mould a comb, which was a good mould to use because if the plastic flowed properly, it would go into the teeth of the comb and fill the comb mould. We used to test the combs—red, blue or yellow combs—in a variety of ways, one of which was to bend the comb to see whether there was any stress whitening. As hon. Members can see, as I bend my Sainsbury's card, the orange changes to white where it is stress whitened. As a research chemist, that worried me.

I had discovered that, when bent, coloured plastic would whiten through stress, but it did not please me that the combs or anything else made from my plastic, for which I obtained various patents, would distort and whiten in that way. I worked on my co-polymers until I found some that did not whiten when subject to stress. Was I not clever to work out how to get rid of that alleged defect? How much more clever would I have been had I realised that I had invented Dynotape and had I gone on to market it. Dynotape works by stress whitening coloured plastic. I used my science to get rid of the problem instead of turning my discovery into an invention and marketing it. Therefore, although I can claim to be a scientist, possibly a poor one, I cannot claim to be an innovator because I failed to discover Dynotape, even though I had the knowledge some years before the product came out.

Innovation is an inherently dynamic and evolutionary process. Somewhat like a creative idea, it can be encouraged and the correct environment can be provided to allow it to mature, but it cannot be forced. There is no doubt that innovation depends on a good science base, and we have a very good science base in the United Kingdom. Why, therefore, do we have successful innovation in biosciences but not so much innovation in the physical sciences and engineering? If we are to have innovation in the physical sciences, we must focus on marrying together scientific advances with products and processes.

For many years, the manufacturing sector has not been our strong suit, and if the manufacturing sector is not strong, there is not always a specific outlet for engineering invention. By contrast, innovation in biosciences depends on developing links between the UK's world-class biosciences base—that includes universities, charities and industries—and commercial organisations, where strong, mature links with specific applications exist, particularly in the case of applied biosciences such as drugs.

The Government's response to our report was fair and of great interest. The Government accept that they have a role to play in promoting innovation. They quoted the fact that there is an innovations unit at the Department of Trade and Industry, with 25 secondees who come from small and medium-sized enterprises, large companies, finance houses and academia. The Government readily admit that those secondees to the DTI contribute their wide experience to the Government's work on external and general policy.

The Government also accept the point made in the report that, in all aspects of engineering, whether it is electronic, civil or mechanical, the engineering community provides wealth creation and improves the quality of life for UK citizens. Only through inventiveness and keeping a technological edge on other countries—and thereby ensuring engineering sales abroad as well as at home—can the community provide that quality of life and wealth creation.

The Government–I am not speaking specifically of this Government, but of the previous one also—accept that engineering and the physical sciences are important to our national well being. However, it is disappointing to note that since 1993, UK expenditure on research and development has fallen as a percentage of the gross domestic product. The UK has had the biggest fall of any country in the G7. The Government will argue—we may hear it from the Minister—that one reason for the fall in research and development expenditure as a percentage of GDP is that GDP is rising. There is no doubt that that is one reason. However, if GDP is rising, it is beholden on the Government to try to lift research and development expenditure in line with that rise. It is easier to achieve that when GDP is rising than when it is falling. I am sure that the Government will wish to continue research expenditure.

We are fifth out the seven countries in the G7, and behind us are Canada—surprisingly—and Italy. The good news is that since 1997, there has been a check in

[Dr. Michael Clark]

the decline in research and development expenditure. I hope that that stable situation will now become an upturn.

Despite the disappointingly low funding for research and development, we concluded in our report—and no witnesses denied this conclusion—that our relatively poor innovation record in engineering and the physical sciences is not the result of a weakness in our science base. On the contrary, our science base is good. The science base produces more innovative ideas than are taken up commercially. The UK is strong in scientific invention, but weak at applying and exploiting those inventions. We said in our report that, to a large extent, industry is responsible for the failure to exploit inventions. We generally found a weakness in exploiting close to the market and what is close to the market is an industry rather than a Government responsibility. The Government said, fairly, that that may be true, but they did not accept that the science base itself had no responsibility for turning a good idea into an exploitable product. Indeed, the Government have gone out of their way to make it clear that the science base must turn some of its ideas into products that can be exploited and sold.

The Government say that they are encouraging that by such things as university challenge, science enterprise challenge, higher education reach out, community fund and so on, and I am glad to hear that. However, I suggest to the Minister that, excellent though those schemes are, they are diverse, rather small and poorly understood. Perhaps it would be helpful if, instead of having so many disparate schemes, the Government considered combining them, as far as possible, into larger schemes. That would cut out many of the administration costs and some of the red tape, and probably reduce some of the bidding problems that organisations experience when they are looking for money. It would be easier to understand the funding mechanism if all the schemes were rolled into one.

The Government can also help through research and development tax credits. The Select Committee discussed tax credits in the previous Parliament. The hon. Member for East Carmarthen and Dinefwr (Mr. Williams)—I am tempted to call him my hon. Friend because he is that in the Select Committee—will recall that that was discussed by the Committee before I joined. We welcome the fact that a tax credit scheme is in place for small companies. We said in our report that we thought that the Government should consider introducing a similar scheme for larger companies, although we accept that such a scheme would be expensive and that its effects would be difficult to monitor. There could also be a danger of the scheme and the money becoming unfocused. As, by and large, large companies will do research and development anyway, Government money or tax concessions are best targeted on small and medium-sized enterprises.

It is said that fear of bankruptcy and the associated stigma hinders risk taking. The United States and some continental European companies have more of what is called an enlightened approach to bankruptcy and insolvency. We asked the Secretary of State to review legislation on bankruptcy and insolvency and to introduce a distinction between responsible entrepreneurs who get into trouble and people who engage in reckless business activities. He has agreed to do so; and we look forward to considering the review and its findings in due course.

We know that the Government are thinking of relaxing the rules on exemption of personal property. In other words, if people put up their houses as security when they are inventing a product or taking risks for which they need capital, their houses will be exempted from bankruptcy proceedings. That is a good way of helping entrepreneurs. If they are risking their savings, they should not have to risk their houses as well. We must, however, be careful of taking too casual an approach and of upsetting creditors. We do not want to encourage entrepreneurs to the extent that creditors do not get paid. The creditors who supply entrepreneurs are often entrepreneurs in their own right. Driving creditors to the wall by being more lenient on some larger entrepreneurs might end up hurting the smallest of the entrepreneurs–the creditors. I urge the Government to bear in mind while they are considering new bankruptcy rules that the smaller creditors must always be remembered in any changes.

Finally, we stressed that the Government should have two key goals. First, they should ensure that there is a strong public sector and that education and the science base are properly managed and adequately financed. That is how we can find the scientific and engineering staff who are necessary to help entrepreneurs along the way. Without staff, we can have nothing. Secondly, a sound economic and fiscal environment is necessary to support those who innovate and take risks. After all, a stable environment and economy is one risk less for the serial risk takers. I know that the Government take seriously their responsibility in that regard. The additional £1 billion in the comprehensive spending review is a demonstration of their earnestness.

The population's health and living standards depend to a large extent on our innovations. The country's affluence depends on the trading products that originate from innovation and a large part of the Government's revenue comes from taxing companies and people associated with innovations from the last century. The Government would be wise to continue to ensure that the scientific goose is well looked after and properly fed if they want to maintain a steady supply of innovative golden eggs.

2.49 pm

Dr. Ashok Kumar (Middlesbrough, South and Cleveland, East): As a member of the Select Committee, I must say that it is a pleasure to serve under the chairmanship of my hon. Friend the Member for Rayleigh (Dr. Clark). I say that in the same spirit as that in which he spoke of my hon. Friend the Member for East Carmarthen and Dinefwr (Mr. Williams).

Producing the report has been an exciting experience. It took a long time to do so—I think that 18 months passed between the moment that we started and the point at which we reached our final deliberations. The report makes many recommendations—38, I think. I want to focus on the way in which the report relates to the area that I represent: the north-east and Teesside.

As my hon. Friend the Member for Rayleigh said, the report talks about ideas of innovation and manufacturing, both of which have gone hand in glove.

I want to highlight some of those ideas, discussing in particular paragraphs 56 to 58 and recommendations (l), (m), and (n). They articulate the spirit of creating a climate of innovation and technology for small and medium enterprises.

The paragraphs deal with the need to develop proper and lasting links between innovation and finance capital. State institutions can help directly. Seedcorn funding for innovative ideas can come from universities, which in turn are helped by Government in establishing funding streams. My hon. Friend referred to the university challenge scheme, which is cited in paragraph 56 as a key agency.

Funding can come from other agencies. Local authorities may give funds directly and establish technology companies. European structural and know-how funds can assist. Money can come from local branches of Business Link and special funds directed by local training and enterprise councils. Those measures are welcome but they do not meet the central needs of small and medium employers involved in developing science-based industries. They do not help those employers to access cash to generate innovation over a longer time scale.

Much central and local state funding is geared towards direct job creation. Although high-quality jobs have been and will be created in science-based industry, they cannot always be created in the time scale required by state funders. The need for widening access to private capital funding for innovative industries is therefore imperative. Nowhere is that more important than in the manufacturing heartlands where the presence of finance capital firms is arguably weakest. I am sure that finance capital is thriving and pulsing on the M4 corridor, silicon fen and the City of London, but whether the same is true in the north-east, west Cumbria or south Yorkshire is debatable. What is not debatable is the fact that there are science and innovation-based companies in those regions.

According to the Organisation for Economic Co-operation and Development, an estimated 23,000 people work in the sector in my region of the north-east. As one would expect, the sector is varied, ranging from pharmaceuticals to surgical instrument manufacture; from innovative chemical processes to the manufacture of optical equipment; and from software development and publishing to aerospace component manufacture. The sector is growing. The gap in high-tech employment between the north-east and the United Kingdom average reduced from 0.9 per cent. to 0.2 per cent. from 1991 to 1997.

There is still room for growth. Growth in key areas has been aided by the strategic decisions of companies based in the region to diversify their product range and to move from core products to higher value-added manufacturing. That has been especially true of the chemical industry, which is still the major player on Teesside. At £28,750, the emerging bio-science sector has, with the pharmaceutical sector, the highest research and development investment per employee in the region, especially compared with the software and IT industries.

The regional firms are based on the logistics of what some wish to call the old economy—characterised by large size, defined production and supply-chain requirements. Paradoxically, those firms provide lucrative opportunities for small IT companies in the application of bespoke software and systems. A local pool of talent has been established, often based on the original work of the regional universities in setting up specialist computing and software centres.

The regional IT industry continues to grow apace. It is often driven forward by spin-offs from the academic and business worlds, which have the flexibility to map the market and to attach themselves to the needs of large companies and key players in the public sector that have the same IT needs. However, as I said earlier, those new players need capital financing if they are to overcome structural issues in their field of work. The most important one is that core professionals, whether IT specialists, graduate engineers or chemists, are in a sellers' market. They can attract premium salaries from anywhere in the UK or, indeed, the world. They work in a global environment and have no cultural inhibitions about doing so. We want them to stay in the region or in our country, so that their expertise can be used for its economic and social good.

The ways to make that happen are, first, reinforcing their core employment, through the work of regional universities and technology and innovation centres, and secondly, enabling their potential to be fully backed by finance capital, which can help employers grow and prosper, as well as, in future, back the ideas of key people for the creation of new companies and firms. That was the type of research and finance infrastructure that underpinned the development of silicon valley. That valley around Santa Clara grew into one of the world's economic powerhouses.

There is no reason why we cannot recreate that effect in my region, the north-east of England, or in other regions. Perhaps the key issue is the cultural conservatism of the finance sector. It is all too easy to demonstrate the innate profitability of a new property development, a new out-of-town shopping or leisure park or executive housing. It is probably slightly harder to convince a hard-headed banker of the innate profitability of a new manufacturing process—even one in a mature industry or promoted by a market leader. Now that the dot.com bubble has burst, it will be much harder to convince a venture capitalist of the worth of a new and untested approach to production innovation or an entirely new product or new IT application that exists only in cyberspace or the head of the program writer.

How should we go about breaking down that cultural barrier? The Science and Technology Committee's recommendation in paragraph 57 of the report makes a start. The suggestions of the Bank of England witnesses about the creation of a new breed of intermediaries, whom they call venture catalysts, could help. Those people could act as points of reference for scientists and high-tech entrepreneurs and for the finance capital industry. They could help to demystify science-based projects for the venture capitalists, to show that seemingly arcane ideas can have both relevance and profit potential. They could also help to prepare people whose only previous experience of planning has been in marshalling scientific and technological ideas for development to explore the arcane arts of preparing robust business plans.

The Committee suggests that the vehicle for setting up and resourcing a network of such venture catalysts could be the local branches of Business Link. I strongly

[Dr. Ashok Kumar]

agree. It is an excellent idea and I recommend it to the Minister. The Business Link network in the north-east, which is changing into the new small business service, now possesses the range of contacts and institutional advisers needed to undertake such a task.

Recommendation (n) in paragraph 58 of the report argues in support of business angels, because they have a valuable role to play in helping to provide risk capital to small unquoted companies. The report defines business angels as people who possess a specific expertise in an area of industry, a good informal network of like-minded people and access to liquid reserves. Such people often have the flexibility to fill the gap between normal SME debt finance provided by the clearing banks, and the higher amounts deemed worthy by venture capitalists who, as ever, must look to future rates of return. They are becoming increasingly important in backing high-tech firm formation.

According to the Bank of England, registered business angels have made 227 investments in 223 registered companies, the majority of which were technology-based companies. That is a good start, but it is still below the level in competitor countries, most notably the United States.

The Department of Trade and Industry has researched the matter and argues that the need to create a network of intermediaries to match such active finance entrepreneurs with science-based fledgling businesses is the key to squaring the circle. However, we do not want to create yet another charmed circle of advisors and mentors who are based in areas where science-based industries are already flourishing. Left to market forces and identified opportunity alone, the cash will merely gravitate to the south-east.

The Committee and I believe that the key is to house such activities in the new regional development agencies. The RDA in my region—One NorthEast—has already risen to the challenge and identified the growth sectors that it wants to back. Those sectors are coterminous with the nationally identified, high-tech and emerging sectors in the competitiveness White Paper that was published in December 1998. One NorthEast's regional economic strategy boldly gives prominence to backing the region's universities and building on the interface between science, universities and local business institutions. It recognises the opportunities that can arise from the spin-out and licensing of university research and development, and the way in which the network of innovation centres and technology institutes that are based in the north-east can help those opportunities to be realised.

The Committee seeks to build on those living, breathing initiatives by introducing a new role that marries scientific and innovation know-how to the availability of cash backing for growth. I know that the One NorthEast board, senior management and the technology community in my region will greet that enthusiastically.

Historically, the north-east has been the birthplace of technology in communications, mining, engineering, technological applications in metal manufacture and in chemicals and electronics that has changed the world. The regional finance networks of town banks brought those technologies to the market. Unfortunately, that finance network no longer exists. However, the region now stands at the dawn of a new technological age. Marrying the skills, talents and abilities that I know exist in my region to the availability of finance capital is the key issue.

The report contains many exciting proposals that should all be implemented regionally, to provide finance, as well as across the country, with the support of business angels. I urge the Government to adopt many of the new ideas. I know that my hon. Friend the Minister for Small Business and E-Commerce has already responded positively. I hope that the points on which I have focused regarding the north-east will receive a warm welcome from her.

3.4 pm

Mr. Alan W. Williams (East Carmarthen and Dinefwr): I am pleased to take part in this debate on innovation in physical science and engineering, and to follow both the hon. Member for Rayleigh (Dr. Clark), the Chairman of the Select Committee on Science and Technology, and my hon. Friend the Member for Middlesbrough, South and Cleveland, East (Dr. Kumar), who placed such a strong emphasis on manufacturing. I know that you, too, Mr. Deputy Speaker, believe strongly in our manufacturing industries. I read a chart yesterday in which Wales was the third of all regions in Britain in terms of the overall percentage of gross domestic product based in manufacturing industry. The west midlands ranked the highest.

The report is an important document. I have taken part in Select Committees during my 12 years in Parliament, and in the Science and Technology Committee in particular since its inception in 1992. During the previous Parliament, we undertook a major inquiry into genetics, particularly the human genome project, and we also examined the work of the Natural Environment Research Council and the Particle Physics and Astronomy Research Council.

At the outset of the present Parliament, the Select Committee realised that it had left engineering and physical science relatively uncovered in the previous Session, so we set out to make up that shortfall. When we took our decisions in 1997, I did not realise that we would be so thorough in examining engineering and physical science. Our terms of reference were drawn up in October 1997 and the report was published in February this year—two and a half years later—after a mammoth effort.

Several visits took place. I particularly remember our visit to Gordon Edge at his impressive establishment at Generics in Cambridge. We also visited Oxford Instruments and St. John's innovation centre at Oxford. We went to the United States, where we visited the Massachusetts institute of technology in Boston. It was a culture shock to encounter in Massachusetts the attitude towards applying science to innovation in manufacturing. The visit was most illuminating. The Committee also visited Germany unfortunately, I could not go on that occasion, but I had been there on an earlier Select Committee visit. Germany is certainly a world leader in technological innovation and the quality of its engineering industries. We also conducted 20 oral evidence sessions with a variety of bodies. All that is distilled in our report.

The first question put to me, as to our Chairman earlier, was why we are more successful as a nation at innovation in the biological than in the physical sciences. I do not know exactly why, although I had some preconceptions. As the report mentions, we need to invest far more heavily in development for the physical sciences. The majority of investment in the biological sciences is for research. The development side of research and development is more expensive in the engineering and physical sciences. I shall return to that issue later.

There may be a problem with our research council structure. The Particle Physics and Astronomy Research Council necessarily does pure, blue-sky research. It is 100 per cent. academic, but there are massive spin-offs from its academic pursuits. The Biotechnology and Biological Sciences Research Council and the Medical Research Council are obviously more medical and have strong links with the pharmaceutical industry. The linkage between industry and academia is stronger in those research councils. It is a bit of an anomaly that the Engineering and Physical Science Research Council is rather blue sky. One would have expected it to have stronger links with our manufacturing industries.

I visited Oxford with Peter Williams, the chairman of Oxford Instruments, who is a distinguished figure on many committees. It was a revelation to discover that he felt that the work of the EPSRC is blue sky. Its entire emphasis is academic. He is greatly involved in the application of research ideas, but he felt that, if we train scientists to think, learn and understand science and pursue research at the highest level, they can turn their minds equally efficiently to applied science once they have completed their degrees or doctorates. I still feel that the EPSRC needs to be looked at by its senior members. It is something of an anomaly that the MRC is more focused on applied science than the EPSRC.

The Government, in their reply to the Select Committee's report, refer to the need for a greater onus on the science base in those areas to reach more strongly towards innovation. Like our Chairman, my feeling throughout our inquiry was that the science base in Britain is strong. Obviously there are some concerns that, as higher education has expanded, there has been a large influx of students in the arts and non-sciences, but no equivalent expansion in physical science and engineering. I am reassured that the quality of people in universities is good and that the science base is producing people with plenty of ideas.

Britain is as inventive now as it was 20, 50 or 100 years ago. Without doubt, we are producing the ideas. There is unanimity this afternoon and all our witnesses were unanimous in believing that the British genius for invention is abundantly there. It is a question of harnessing those ideas. The inventiveness that we associate with our universities can be developed in their research departments. It is found in individuals too, sometimes quite surprisingly. One thinks of James Dyson and his Cyclone and how he produced an entirely new type of vacuum cleaner. He went into manufacturing and learned the skills as he went along.

I do not know whether Trevor Bayliss has any academic qualifications in physics or in engineering, but his presentation to us and his clockwork radio and other inventions were very challenging. Those of us who have come through it think that school, A-levels and higher education is the conveyor belt that produces inventors. Obviously there is another conveyor belt, or perhaps it is not a conveyor belt at all. People out there are thinking all the time in a challenging way. Trevor Bayliss's idea of an academy of inventors sounded a bit strange; nevertheless, I see what he means. That idea is moving forward.

At the evidence session that I chaired with the Defence Evaluation and Research Agency, I was greatly impressed by its director, John Chisholm. He said that, for the past decade, DERA and the defence establishment had been bursting with ideas that could be applied. Those ideas have been thought out and developed with their application to defence in mind, but they would be available to harness if we had different objectives. The public-private partnership that we are developing for DERA might, therefore, give the organisation the commercial freedom to consider other objectives, release some of its energies and develop.

It is important that there is a multiplicity of organisations to develop ideas and turn them into useful products. In that respect, Generics in Cambridge has a wonderful structure. We had a presentation on the Cambridge phenomenon and how dozens of highly successful companies at the forefront of technology have set up there and created tens of thousands of jobs—so many that they are running out of space. I wish that such centres of excellence existed around all our universities. Obviously, there are examples in Oxford, too, such as St. John's innovation centre. Science parks are developing around all our higher education centres.

My visits reminded me of the visits that we made to the Fraunhofer, Steinbeis and Max Planck institutes in Germany in 1995 in connection with an inquiry into parallel areas. We are making the necessary changes a little later than Germany, which has a well-evolved middle tier that combines universities and higher education in one broad stream. Industry is out there, too. That middle tier permits the fertilisation of ideas, and networks are developing between higher education and industry. That middle tier is important because it is where ideas can be developed into useful products.

The topic of technology foresight was raised with most of the Committee's witnesses. It was introduced in 1993, and the forward look which is published every year is of value. There were some critical assessments of it, but its great value is in establishing more and more networks. There are opportunities for people to meet and exchange ideas across disciplines. Members of the Royal Society of Chemistry talked to the Committee, and one idea that stuck in my mind was car boot sales—inexpensive collections of scientists in different areas meeting to discuss topics—

Dr. Michael Clark: Stolen ideas.

Mr. Williams: To share and develop ideas that they found successful.

One criticism of technology foresight was that ideas were not filtering down sufficiently to small and medium enterprises—the SMEs. Large companies have their own technology foresight and their own ideas, and they learn something from the relevant publications and the work that goes into preparing them. However, those ideas require greater diffusion downwards.

[Mr. Williams]

As regards the Committee's American visit, the MIT has an incredible record in setting up businesses. I cannot remember how many of the world's great multinational companies had their origins in Boston. I read chemistry at Oxford; it was a very good course and I carried on for my DPhil, but it was a purely academic discipline. We did not talk about industry, or about pollution and so on; nothing was said on the application of science or on its downside. I learned about those after I had left university. I enjoyed all the work, but 5 or 10 per cent. of the course should have been about application, and the importance of ICI, Glaxo and the other trading companies, and about the negatives, the problems of pollution, chemicals in the environment and so on.

At MIT, applied science is as important as pure science and great pride was taken in the application of science to improve the quality of life and the economy of the United States. Management is taught as a component of degree courses. That was certainly not the case when I was at university. I visited a school of manufacturing industry in Cambridge where management is part of degree and postgraduate courses.

During the 1960s and 1970s, MIT had public funding from defence industry projects, but in the 1980s and 1990s, because of the peace dividend, the amount of available public funding on which MIT could draw diminished, so it had to diversify. It went to companies in different parts of the United States, looked at their products and offered its services to improve product design. It was a kind of outreach from MIT into industry. The contracts resulting from that innovation replaced much of the defence money that was lost. That was a culture change; no British university or science park has done quite the same thing, although having the institutions on which to develop is a start.

The American approach is more adventurous and risk taking; the word "entrepreneur" came up many times. The venture capital industry is much more developed in the United States than it is in Britain, but in the Department of Trade and Industry and the Treasury such thinking is being put into practice. We know what works in the United States, and if we want to take its good features and incorporate them into the British economy we can do so.

The Guardian on 8 May, quoting the prelude to a speech by my right hon. Friend the Chancellor of the Exchequer about venture capital, stated:

> UK pension funds invest only 0.5 per cent. of their funds in venture capital, compared to 5 per cent. in the US.

We all know that, but in the past few years there has been a tenfold difference in the proportion of Britain's wealth that is available for new ideas and new companies in venture capital. It was no surprise to me that, when the dark clouds loomed over the west midlands and the Government and the Secretary of State for Trade and Industry were working on the rescue of Rover by the Phoenix group, the money came not from a British bank but from an American bank, which eventually guaranteed the £200 million required. Unfortunately, the City is risk averse. I do not know how we can tackle that, but my right hon. Friend the Chancellor made suggestions in his speech last Tuesday to the trustees of pension funds and the consultants whom they hire. Something is amiss institutionally when we are afraid of putting the wealth that we have created behind British industry or the newer ideas and small ventures in British industry.

The Select Committee's Chairman, the hon. Member for Rayleigh, mentioned the role of tax incentives. In a previous Select Committee, Jeremy Bray, the former Member for Motherwell, South and science spokesman for the Labour Opposition for several years, was a regular and powerful advocate of tax incentives for research and devélopment. He produced research evidence showing how effective they can be. I was pleased that, in earlier Budgets, the Government recognised that fact and offered considerable help to small and medium enterprises. I echo the words of the hon. Member for Rayleigh. The Government should consider extending those schemes to large companies.

Even given the expense, the problems of definition and other matters, our record on research and development in industry is disappointing. In the scoreboard that is published every year, we are fifth out of the seven. We languish there, just about holding our own, and we should not be there. People in Britain have many ideas that could be developed, and we should be climbing that league. If the Government used our surpluses to extend some of the schemes that already exist for research and development, they would receive a good return on that investment.

The report also discusses the role of demonstration projects, about which I hope my hon. Friend the Member for Bexleyheath and Crayford (Mr. Beard) will talk later. That is another difference between engineering and physical sciences and biological and medical research. In scaling up, development involves large costs. The Government should offer more help for those demonstration projects.

I have called for Government help, so I must mention the £22 billion that the mobile phone licences will raise. All sorts of people have made all sorts of claims on that money.

Dr. Kumar: People such as pensioners.

Mr. Williams: Yes, pensioners and the health service have claims, and Wales has asked for matched funds. However, I understand that my right hon. Friend the Chancellor is wisely thinking of using the money to pay off Government debt, so there will be no quick decision on its use.

I suggest that the best use of the money would be to help science research and development. The money came from innovation in the engineering and physical science-based industries, and the best support for long-term development would be to put that £22 billion—which will, I believe, arrive in a cash stream of about £2 billion a year for the next 10 years—into the science budget. It could provide incentives for research and development and improve the infrastructure. Our

report describes many of those ideas in detail, and I hope that the Department of Trade and Industry will seriously take them into account.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Nicholas Winterton): Having called three doctors in succession, I now intend to break that sequence, although I shall call somebody with considerable experience of an important industry.

3.30 pm

Mr. Nigel Beard (Bexleyheath and Crayford): Thank you, Mr. Deputy Speaker. As this is my last connection with the Science and Technology Committee, I should like to say how enjoyable and stimulating it has been to work with other Committee members, especially the Chairman, the hon. Member for Rayleigh (Dr. Clark), whom I also regard as an hon. Friend in this context. The experience has been exhilarating and enjoyable.

Innovation is a topic on which much has been written and on which there is a substantial body of research. The high reputations and hands-on experience of the witnesses who mapped out common ground were a distinctive feature of the inquiry. There was a substantial consensus on innovation, although it was not entirely uniform. The volume of evidence that is published with the report will be a good source of information for planners, policy makers and students. The report is a good distillation of the understanding that was derived from witnesses and of the conclusions that flowed from that understanding.

We began by considering why Britain is good at innovation based on the biological sciences but poor at innovation based on engineering and the physical sciences. That clear perception shaped our terms of reference and the course of the inquiry. If we contrast the history of the pharmaceuticals industry in Britain with the history of the motor car industry, the machine tool industry, the electronics industry and engineering more generally, we see that the truth of that observation is beyond question. That view came out strongly from our witnesses. No one dissented from it.

There was also substantial agreement on the nature of innovation. There was common agreement among the witnesses, but the word "innovation" is often used loosely. Therefore, it is important to say what it is not: it is not synonymous with research and development, science, invention or technology. Academic discussion often equates innovation with academic interests and research or with research that is sponsored by the Engineering and Physical Sciences Research Council and the Biotechnology and Biological Sciences Research Council. Those perform vital functions that generate ideas, but in themselves they are not innovation.

Innovation involves the presentation of a new product to a market or a new process to commercial production. It means generating new ideas and understanding the function of research, including research that is supported by the Government through research councils and universities. Innovation identifies what a defined market is likely to require, which is the process of market research or market investigation. It brings together various technologies to satisfy that market demand as part of the process of design and development. Innovation establishes a manufacturing process, known as process development, which is sometimes overlooked. Finally, it means commercially launching a product on to the market. Innovation can fail at any one of those stages. To discover the cause of our poor performance, we must take into account that range of stages, and not purely the scientific beginnings of research.

That definition or model of innovation was widely agreed by the Confederation of British Industry, the OECD, MIT and industry in general, so there is no ambiguity about the meaning of innovation. Against that background, why are bioscience-based industries different from engineering and physical science-based industries? The essential difference is this. If one takes pharmaceuticals as the most obvious bioscience-based industry, the risk lies in successful research and the effectiveness and safety of a drug being proved by the regulatory process. Once that has been done, the marketing is a subsidiary activity, because the disease targeted by the drug is self-evident. Marketing and manufacturing are not risky; research carries the greatest burden of risk. The situation is very different in engineering and physical science-based industries. Understanding what the market wants and adapting various technologies to meet that through the process of development is difficult, risky and increasingly expensive. There may be very little need for new research in the process of innovation based on physical science and engineering—much of the research may have been done years before, perhaps topped up by more recent research. The difference is that there is far greater dependence on market research and development, which distinguishes engineering and physical science-based industries from innovation in the pharmaceutical and agrichemical industries.

What is the diagnosis of why innovation is weak in engineering and physical science-based industries? The situation is summed up by a quotation from the Select Committee's report:

> Market research, design and development are skimped, underfunded and inadequate in engineering and physical science based companies.

Dr. Michael Clark: I am following the hon. Gentleman's speech with great interest. I am interested in the distinction that he makes between innovation in physical sciences and innovation in biological sciences. To put it in a nutshell, does he agree that, in the case of biological sciences, there is a market—namely, a disease—that desperately wants a product, but in the case of engineering and physical sciences, the product desperately wants a market?

Mr. Beard: There is a great deal of truth in that. To put it in similar terms to those used by the hon. Gentleman, the difference is that in the biological sciences, it is a matter of science push, because the markets are identifiable, but in engineering and physical sciences, it is a matter of market pull. That is where the difference in performance and complexity lies.

As I have mentioned, development is an expensive process. In many cases, that process must end with a prototype or a demonstration project to see how things work. It is frequently a matter of putting together

[Mr. Beard]

disparate technologies, and the process of development is in making them work harmoniously for the purpose in hand. As my hon. Friends have mentioned, there is substantial evidence that expenditure on that is skimped. Aeronautical developments tend to be carried out by force of circumstances because people want to see aeroplanes fly, but in other areas development is not carried through to the extent that is necessary to demonstrate to a market that a product is viable and useful. It is in those areas of development and market assessment that Japanese and American strength lies. That is why, although Britain generates so many ideas from the fertile soil of research, things invented here are so often made commercial in America and Japan. We should aim to avoid that if we are to become a knowledge-based economy, with our prosperity benefiting fully from the fruits of our rich, national ingenuity.

A subordinate aspect to the question why we are not as good as America and Japan at developing ideas is summed up in a phrase coined by MIT—the "dignity of applied knowledge". Too often, the academic attitude in Britain is that pure science is more important, which is where the good brains go, and that the second-class brains go for applied science. That is futile, stupid and plainly wrong. I have spent a substantial part of my career in applied science, and I can say from first-hand experience that the intellectual challenge of applying science is just as great, and in many instances greater, than making the initial discovery and doing the research, because it is far more complex. That myth must be ruthlessly dispelled.

We must also stress—this comes up time and again in Government policy—that our failure is not a failure to generate new ideas. We may say it, but our actions go against it. As the report says, there is no evidence of any shortage of ideas and knowledge emerging from engineering and physical science research undertaken in universities and industry. The science base undoubtedly needs protecting. It was certainly going downhill, and it is to the Government's immense credit that they made £1.4 billion available, in addition to the money that came from the Wellcome Trust, to ensure that that did not continue. We must be vigilant to ensure that the science base remains healthy, but we should not pretend that we are doing something substantial to cure our failure in innovation, which is the subject of today's debate.

The position is not a happy one. Indeed, it is worsening. Nor is the problem new. It goes back at least to the 1970s, but it is getting worse. University research is directed to acquiring knowledge; so is the work of research councils. The development side of the process is universally the responsibility of industry. Only industry can bring together the technological know-how, the finance, the capacity to make a commercial product and the necessary market. No amount of extra money for universities will improve development: it is essentially a job for industry.

We should therefore consider the Department of Trade and Industry's research and technology scoreboard and some of the other published figures which are available. Business enterprise research and development—for the reasons that I gave earlier, it is the main source of development expenditure—has grown more slowly in Britain than in any other developed nation. In 1970, we were second to the United States, but we are now fifth. That is well illustrated by figure 2 on page xvi of the report. The DTI's scoreboard shows that trend to be concentrated in the industries that we are discussing. That is illustrated in figure 4 on page xviii, which shows that, in investment in research and development, the pharmaceuticals industry holds its own compared with its world competitors.

Calculated as a proportion of turnover, the engineering and machinery, electronics and electrical, software and information industries spend on what is called R and D, but is actually development, between a quarter and a half of what their international competitors spend. We cannot sustain that position. The picture will not improve if we fall further and further behind while our competitors in this era of development continue to build up more and more resources. The picture is clearly set out in paragraphs 16 to 35 of the report. For anyone who takes an interest in the future of manufacturing industry, as you do, Mr. Deputy Speaker, those paragraphs make grim reading. For anyone who believes that manufacturing cannot be allowed to disappear from the spectrum of economic activities, the report points to something that must be corrected.

I hope that those paragraphs will serve as the starting point for a plan of action when the Government publish a White Paper on innovation—one, we hope, without any tokenism or misdiagnosis. The Government response to our report is, at the least, complacent, if not monumentally complacent, and is redolent of a lack of understanding of the actual state of UK industry. Paragraph 10 on page 3 of the response states:

> The Government acknowledges that the UK expenditure on research and development is not as high as some of its international competitors and could be better.

That is in the light of all the evidence in those other paragraphs and figures. The Government respond to our report as though they were a parent receiving a school report saying that their child had just fallen behind in class. Their response does not reflect the seriousness of the position. It does not reflect the fact that spending on research and development continues on a downward spiral.

A little further down in the same paragraph, the Government response continues:

> However, recent figures, just published, show an arrest of the 1993-97 decline in the UK's gross expenditure on research and development as a ratio of GDP.

That decline has been going on since the 1970s and the figures in our report show that it continues. At best, the Government pick out one figure and claim that the past 20 years have been wiped out, that that one figure shows that the trend has changed and that we do not need to bother about this any more. That is exactly what is said in the third quotation to which I should like to refer:

> A continued improvement in gross expenditure on research and development into the future would indicate an increasing focus on innovation and research and development as key drivers in the knowledge-based economy.

That is Dr. Chadman personified. We have one favourable figure, which is not quoted, and we suddenly live in the best of all possible worlds. The complacency

reflected there makes one question the adequacy of the advice that the Government are receiving. They deserve immense credit for what has already been done for the science base, but that is not what we are discussing. I hope that, when the Select Committee responds to that Government paper, it will request a fuller reply to the points that it made in paragraphs 16 to 42 of its report. The scope for Government action may be limited, but that is no excuse for deceiving oneself and ignoring a major national issue.

I would not quarrel with Government policy in general. The central purposes of Government policy on science and innovation have been to secure a healthy science and engineering base—they have achieved that—and to provide trained and experienced scientists who can go out into industry or staff research organisations throughout the country. Those are proper priorities for the Government. Everyone in industry would recognise that there is no substitute for that work, as they cannot do it for themselves. Everyone in industry would also recognise that the research and development that is done by universities and research councils should be speculative, and that a large proportion of it should be blue-sky work, as industry cannot undertake such research itself. People in industry are the appliers of science, not the Government.

The Government aim to secure better transfer of science and technology from academia to small and medium companies, which is an excellent ambition. However, it should be plainly stated that, if those small and medium organisations do not put money into development, there will be nowhere for ideas from academia to transfer to. Something must be done to ensure prosperity in that respect.

I am a great supporter of the Faraday centres, about which the Government have set out some details. They are modelled on the Fraunhofer centres which we all saw in Germany, which are a good example of how transfer can be achieved and small and medium companies can improve their capacity for development. They provide a good bridge enabling scientists and technologists to come from academia. Such people can enter intermediate organisations, become familiar with the needs of industry and then move on; in other words, they have it both ways. We have an urgent problem in this respect. Germany is doing well with the centres and has a record of doing well with them. It has 40-odd institutions, whereas we are talking about eight. One of the besetting and pervasive sins in this field is tokenism. We see a problem on which everybody agrees and then say that we are doing something on the basis of one example. Such an approach does not deal with problems adequately.

The report provides an excellent model of innovation and an excellent diagnosis of where this country's problems lie. I hope that, as one of the major outcomes of the report, the forthcoming White Paper on innovation will take that model and diagnosis as a beginning and address the problems. In the past, we have put money into the early stage, but not into where the difficulty lies—development. We must tackle that problem one way or the other. It might be tackled by introducing the sort of tax credits that have been mentioned. I agree with my colleagues that such a scheme needs consideration in relation to larger companies. Although a large part of innovation comes through small companies, a substantial proportion will come from big, established companies, which are as guilty as anybody of not investing adequate resources in development.

The field of tokenism must go, so the White Paper on innovation must also provide a coherent policy and get rid of the bewildering array of schemes and devices. It should provide a single policy that clearly addresses the problems set out in the report and that everybody understands. We must stop the game of bidding here and bidding there, which makes securing work in the academic research field similar to visiting a fairground and bidding at various boutiques. That should stop. We must have a national viewpoint on where the issues are and on how we are addressing them. We should then monitor how well we perform against those targets.

Mr. Deputy Speaker: We now return to the sequence of doctors, so I call Dr. Lynne Jones.

3.54 pm

Dr. Lynne Jones (Birmingham, Selly Oak): Thank you, Mr. Deputy Speaker. I agree with many of the comments made by the previous speakers, who went into considerable detail about the report and the Government's response. Like my hon. Friend the Member for East Carmarthen and Dinefwr (Mr. Williams) I was a member of the Science and Technology Committee in the previous Parliament and participated in the production of a report in 1994 on innovative and competitive technology. Between then and January this year, when the report that we are considering was published, I was struck forcibly by the fact that the Government have taken on board many of the concerns about financial incentives for more investment in research and development. However, as my hon. Friend the Member for Bexleyheath and Crayford (Mr. Beard) emphasised, the incentives and support still very much relate to the research phase.

It is still early days to judge whether the tax incentives will have a substantial impact. More important is that people in companies and research organisations should understand the importance of research and development and of good market research and management in the creation of wealth. People in organisations are the driving force behind investment in research and development, development of new technologies and putting research ideas into the market. The Government have worked to create incentives for investment, but perhaps we have not focused enough on the importance of well-trained people and of the movement of people between sectors, for example from universities and research institutes into business and vice versa.

Many witnesses from business pointed out how difficult it was for them to recruit people who not only had academic qualifications but were of high calibre. There was a distinct shortage. I echo the comments of my hon. Friend the Member for Bexleyheath and Crayford about the Government's complacency in their response—that we are perhaps doing as well as other countries. Even on our visit to America, the country that we are supposed to emulate, people spoke of a shortage of highly educated people with innovative ideas and the research experience and management understanding

[Dr. Lynne Jones]

needed to get them off the ground. We can see that effect, because in the United States and, to an extent, in this country, Governments must relax visa requirements for foreign nationals to come to the developed world. Germany is looking to recruit the well-educated work force of Russia and the United States also wants to recruit abroad. Unfortunately, many of our best people are being enticed by those recruitment activities.

That does not matter, as long as the necessary to-ing and fro-ing of people goes on. If it is a two-way process, that is all well and good. People go to other countries, pick up experience and come back. The problem in this country is that it is a one-way process. The important role of scientists and engineers is not acknowledged. People get poor rewards, especially in the public sector, in our universities and our research institutions, in terms of not only salaries but equipment and technical support. People used to come back but are now staying away.

I hope that at the next comprehensive spending review the Government will consider the need to do something about the poor pay and conditions of our academic staff, especially in science and engineering. Many of the vice-chancellors who have provided evidence to our Committee and in written communications to me have noted how difficult it is to retain trained staff. That is especially true in IT, a sector in which people can double their salary by leaving academia. There is no problem with people leaving academia and having experience in the private sector. The problem is that they should also be coming back—there should be a two-way process.

The Government need to be even more hands on. They have been careful in their response to distinguish the role of the private sector in the marketplace. They have wanted a hands-off approach to business development and market investigations. I was struck when we went to Boston, and to the United States generally, that there is far more public-sector intervention in such areas.

We met representatives of the Massachusetts Technology Collaborative, which was founded by the state. It is an independent public economic development organisation. The state governor appoints the board members. It has gone out and sought to identify and develop clusters. In the Government's response to our report, they say that they cannot create clusters, but that has been shown not to be the case in countries such as the United States.

We saw evidence of the success of the Massachusetts Technology Collaborative. It has been behind the establishment of five clusters. Its encouragement of the clusters in health care especially, but also in other areas, has promoted spontaneous development elsewhere. It took public sector intervention to get matters moving.

We visited the Massachusetts Technology Development Corporation, which is also a state institution. It started more than 20 years ago with a $10 million endowment. The organisation provides small sums of venture capital—between $750,000 and $2 million—to start up companies with a technological idea. Interestingly, the corporation told us how important it was for it to be involved in the management of the companies. It had a policy of taking a share in companies' equity. As a result, the initial endowment has turned over several-fold. For every $1 invested in venture capital, $17.50 is coming back for investment, so the cycle can continue.

We met the director of VenturCom, one of the companies that had been helped. It had the advantage of state support, venture capital and business advice, which brought the engineer—the scientist with the ideas—together with managers. A British manager was involved in that company and the state had provided it with the assistance. The fact that it was close to the Massachusetts Institute of Technology meant that the company had access to cutting-edge research and skilled technicians. So the state created the means by which those companies could thrive.

When we went to Germany, we visited the Herzogenrath technology park. Herzogenrath is a small town with a population of 44,000. Its technology park helps to start up companies by providing business advice as well as a physical infrastructure. It was set up with public money of DM80 million. That level of investment in a small town of 44,000 people would be the envy of cities as large as Birmingham, which cannot secure such an amount.

In our recommendations, we asked the Government to ensure that regional development agencies in conjunction with local authorities had access to adequate capital to develop such business parks and other incubator programmes for new companies. It is disappointing that the only response was that the Chancellor had announced additional funding of £50 million for research and development agencies throughout England. It is better than nothing, but nowhere near the level of state support provided in other countries such as the United States and Germany, which have a better record than we do in promoting links between companies and the engineering and physical sciences.

My final point was not specifically addressed in our report. After it was produced, I attended a seminar at the Royal Society, which was promoted by the Foundation for Science and Technology. The seminar was entitled "UK Missing a Multi-Billion Pound Industry?", which referred to the environmental industry. An important theme that emerged was the Government's role in passing legislation to help new technologies to flourish.

John Waters, the director of an environmental resources management company employing environmental consultants, told us that legislation was the driving force behind the development of environmental technologies. He pointed out that the United Kingdom has only an 8 per cent. share of environmental technology services world wide, compared with Germany's 21 per cent. and 18 per cent. in the United States. Governments in countries where those technologies had taken off had imposed stricter regulations—perhaps providing greater disincentives to polluters—and had invested with the private sector in these important technologies, which have so much potential for future wealth creation.

When talking about future wealth creation, I must mention the car industry. I represent a Birmingham constituency. We are extremely pleased that the Phoenix

consortium will continue to run Rover at Longbridge and that there is some hope for the future of that organisation. However, in the long term we must diversify our industries and look at new technologies. Companies like Rover should be at the cutting edge of the development of new environmentally sound vehicles, whether for public or private use. The Government must do far more to encourage such developments.

That brings me on quite neatly to endorse the point made by my hon. Friend the Member for East Carmarthen and Dinefwr when he mentioned the large capital asset that the Government are sitting on as a result of the sale of the mobile phone licences. It may surprise hon. Members, but I am not one of those who support spending some of that £22.5 billion on increasing pensions. It is unsound economics to use a capital sum for expenditure that has on-going revenue consequences. Equally, if that money is just being used to pay off the national debt, it would be a wasted opportunity to use it for investment in activities that will create more wealth in this country in terms of business and tax revenues for the Chancellor.

It would be a terrible waste to use all that money merely to pay off debt. Of course, it will mean that an extra £1 billion a year will come in for the Chancellor that could be used to support increased pensions, but the tax revenues are buoyant enough to increase pensions without resorting to such methods. If that money were invested in our public organisations, universities and research institutes, notwithstanding the extra £1 billion that was put in as a result of the comprehensive spending review last year, it still does not get us back up to the proportion of our national wealth that went into research and development 20 or 30 years ago.

I entirely endorse the comments made by my hon. Friend the Member for East Carmarthen and Dinefwr on this matter. This windfall has come as a result of technological advancement. The first time I had a mobile phone was when I was a parliamentary candidate in the 1992 election. We hired them for a few weeks and they were great big things. Technology has advanced so much that we now have a tremendous product that has created jobs and wealth in this country and this remarkable windfall for the Chancellor.

I commend the Government for the way in which they managed the auction and succeeded in getting such a large sum. It would be a terrible waste to use that for redeeming debt when there is no pressure on Government borrowing and we are well within the Maastricht criteria for debt. Pension funds and the private sector are crying out for more Government borrowing because they need more Government gilts, of which there is a desperate shortage. Using the money to pay off debt would be a bit like the servant in the parable of the talents who buried the money that his master had given him rather than investing it for real returns in the future.

My plea to the Government is to fund science infrastructure. I know that our report said that the problem was business development, not science infrastructure, but that still has to be maintained and improved. Putting money into infrastructure will assist business and that is the kind of advice given in other countries.

The Government take seriously their role in fostering innovation and wealth creation; I hope that they will look again at the report and at some of the suggestions on how to use the massive windfall to ensure that the country prospers in the future.

Mr. Deputy Speaker: Following the reference to the parable of the talents, we now turn to the talents of a civil engineer. I call Mr. David Chidgey.

4.16 pm

Mr. David Chidgey (Eastleigh): I am not a member of the Committee, and I congratulate its members on an excellent report. You have already alluded to the array of talent on that Committee, Mr. Winterton; no fewer than six PhDs served on the Committee. The more modest engineers among their number have not revealed themselves, but I believe that the Committee includes at least three chartered engineers. It is the strongest and longest array of talent in the scientific and engineering field ever assembled in a Committee and, as one might expect, they produced a thorough, exciting, but depressing, report.

I speak as an engineer, but that is not the main thrust of my contribution. I have been through the fire; I know what it is like to get innovation going and to try to recruit talented people to fulfil the requirements of an organisation in meeting customers' needs and working at the cutting edge to survive in the harsh, real world. I know the frustration felt when competitors in other countries have much more support, because those countries recognise how important a company's success is to the economy and to the well being of their fellow citizens. That is why I am pleased to have an opportunity to make a small contribution to this debate.

I shall pick out three recommendations from three and a half pages of recommendations and conclusions. I cannot remember a Select Committee report with so much to say on the subject, all of which is extremely worthy and relevant. I shall refer to recommendations (d), (x) and (ii) in the conclusion and say a few words about them.

First, recommendation (d) in paragraph 17 is about the fall in expenditure on research and development. The hon. Member for Bexleyheath and Crayford (Mr. Beard) rightly referred to the importance of paragraphs 16 and 35, which say it all about the dire straits in which our manufacturing industry finds itself. The reasons are to a large extent dependent on the decline in investment in research and development.

It is worth putting on record the sorry tale of that decline as a percentage of our gross domestic product. In 1988, Germany, the United States and Japan spent about 2.7 per cent. of their GDP on research and development. Even in 1988, we were trailing with investment at 2.1 per cent. of GDP. Less than 10 years later, in 1997, investment in Germany, America and Japan had fallen—perhaps they are more efficient—to between 2.4 per cent. and 2.7 per cent. of GDP. In this country, which had been falling behind its main competitors since the 1970s, as the hon. Member for Bexleyheath and Crayford said, the sorry tale continued. By 1997, we were investing 1.8 per cent. of GDP, instead of 2.1 per cent. I stress those figures because they reveal a sorry tale of lack of action by the engines of our economy—state, public and private—and we need some action.

[Mr. David Chidgey]

I accept that the Government have recognised the problem and are making efforts to tackle it, as other hon. Members have said. However, complacency is the disease at the heart of this problem. As the hon. Member for Bexleyheath and Crayford said, it is not enough to quote only one year's figures. We have been facing this problem since the early post-war years. For some years after the second world war, repairing the damage that global conflict had done to our country and others kept our economy afloat. As soon as that was done and we had to compete in the real world for projects and exports, our investment in research and development started to slow down when it should have been speeding up.

I recognise that the Government are aware of the problem and have made some effort to tackle it, but it is not enough to assume that one year's figures represent a new golden dawn. I suggest that we are merely treading water—if we are lucky. I want the Government to understand just how deep the problem is and how much needs to be done to make Britain more competitive and innovative so that we can survive as a major player and benefit our communities and citizens in the years ahead.

Therefore, I turn to paragraph (x) of the conclusions. Again, it is worth reflecting on the points raised by Committee members. In particular, they noted that

> Government policy should be focused upon . . . a strong public sector research and education base, at all levels, to provide industry with leading-edge research and the highly trained staff "which is the life-blood of technology-based industry".

They go on to say that the

> Government must provide an economic and fiscal environment that supports those who innovate.

I am old enough and ugly enough and was in industry enough years to remember when Monty Finniston produced his report in the 1970s. He had previously been the chief executive of the steel industry. I was much younger then and full of ambition to succeed in my industry, but that is another story. However, I well remember that the Finniston report promised a new golden age for the innovators—engineers, technicians and, in particular, chartered engineers. Whatever happened to the Finniston report? I believe—I can say this in the House, if not outside—that the chief executive of GEC was so worried about having to pay his 20,000 chartered engineers a wage that would keep them attracted to their industry and which would attract the best brains to it, that he somehow managed to persuade the powers that be that Mr. Finniston's report should be discarded. Perhaps that is one reason why we find it so difficult to attract high-quality people from pure science into applied science. The rewards in applied science are still nothing like comparable with those in pure science or with those that people can receive in other countries if they happen to be sufficiently articulate in different languages. It is clear that we must still establish an atmosphere, ambience and environment in which being an engineer is a success in itself and a successful career path.

I recently had the interesting experience of being at a meeting with an eminent person in the engineering world who proudly said that engineers were successful, because they sat on the board of every company in the top 100 blue chip companies. I asked him, "Well, what as?" That is my point: they were all there in a management capacity; not one was there as an engineer in his own right. That perfectly demonstrates the fact that people still see engineering as a platform from which to launch a more attractive, better paid and perhaps more respected career.

One hon. Member—I am not sure whom—referred to investment in industry and blamed the City for not investing in our industry and innovation. That may be true; perhaps we could expect more from the City. However, we must understand that it has never invested in industry. A short trip through history will show us that the City was investing in commerce and trade when it was established and eminent on the world stage back in the 17th century. It was funding ships to go off to the east and west to bring back produce that we could trade for profit. The City had nothing to do with investing in industry—it never even noticed the industrial revolution. The organisation was set up to invest in trade and commerce, which has always been its role.

If we want the City to be something else, that is fine. Perhaps the Government and Parliament have a role there. However, let us understand and accept the City for what it is. We must not use the fact that it is not more than that as a convenient excuse for the failure by the broader institutions of this country to recognise the need to invest in innovation and research.

Paragraph (ii) of the Select Committee's recommendations says:

> The Government must recognise the need to increase the quality and levels of competence of science, engineering and technology graduates.

The Committee notes that the number of personnel employed in research and development fell by 23 per cent. between 1986 and 1996. It also notes that the number of technicians, laboratory assistants and draughtsmen has fallen by even more—30 per cent. The hon. Member for Bexleyheath and Crayford said that poor marketing was part of our problem. However, he also made a point about this country's lack of recognition for the dignity of applied knowledge. The two go hand in hand.

The contribution about the Massachusetts Institute of Technology was interesting. It has always recognised that applied science and pure science are equally important. The role of the scientific professions must be to contribute to the creation of wealth and the economy of a country for the benefit of its citizens as a whole. That is what we do. This is not about some esoteric exercise, but about improving people's lives. If we fail to realise that applied sciences have a vital role and are as important as our pure sciences, we will never achieve that aim. We have lost sight of that in recent decades.

The fall in the number of trained and qualified people working in research and development and in innovation at the cutting edge of industry is perhaps the most serious problem that we face. We cannot solve it simply by adding 10 per cent. to the average wage of a technician, engineer or scientist, or by increasing particular universities' budgets for research and development. The problem goes far deeper than that.

I was fortunate to have the opportunity late last year to attend a conference in Washington, where research fellows from the Hudson institute presented a paper on

research into employment potential in this century. The paper, entitled "20:20 Vision", clearly demonstrated the endemic problem in the industrialised western world of not producing sufficient numerate and literate people to drive our economies at the levels expected by our citizens to maintain our current rate of progress. If we do not revise the way in which we fund and produce not just educated, but trained and qualified people, with sufficient skills to drive our cutting-edge technology in our high-tech, high-skilled, knowledge-based economies, our economies will fail. As I said, it is not a question of a little more here and there: we need a fundamental review of how best to invest in people to acquire the skills that our economies need.

The hon. Member for Birmingham, Selly Oak (Dr. Jones) mentioned the pressures experienced in America in trying to recruit people on the green card system. In Germany—not just in Russia—they are issuing tens of thousands of visas to IT-literate nationals from the Indian sub-continent, which was unheard of 10 years ago in that part of Europe. That shows how serious the problem is. My worry is that if we start to suck in the skills and knowledge of developing countries for the benefit of our own economies, what does it do to them—to the rest of the world, falling off the edge of technological development? In this country, we should recognise the problem and take the lead in producing people with the requisite numeracy, literacy and IT skills to drive our economies.

I congratulate the Government on encouraging local schools to bid to become centres of excellence in various areas. That is exciting as well as encouraging. It is a means of trying to make young people want to study mathematics and science. The Wyvern community school in my constituency of Eastleigh has done just that and won a competition to become a centre of technological excellence. The local aerospace industry—well represented in Hampshire, which is so defence-dependent—is coming in to provide matching funding. That is good, but it is not enough. It is exciting and enthusiastic, but does not deal with the underlying problem of producing people with the requisite talents and enthusing and encouraging them to stay in industry to produce the economic benefits that our citizens expect.

I am glad that the Government seem to be recognising the problem, but I am worried that they might become complacent. I finish by stressing that time is running out.

Mr. Deputy Speaker: I call Mr. Richard Page.

4.32 pm

Mr. Richard Page (South-West Hertfordshire): We have all attended debates in the Chamber, at which hon. Members stand up and say how delighted they are to take part. On this occasion, those sentiments are genuine. All too often, a Select Committee labours and slaves over a report, which then gathers dust on some forgotten shelf. That is not true today, and I am absolutely delighted that we are debating the report.

I am wounded, Mr. Deputy Speaker, when you introduce so many doctors, engineers and other experts, but just read out my name.

Mr. Deputy Speaker: Order. From the Chair, may I apologise to the hon. Gentleman? I had intended to introduce him as a business man, so I hope that that will help and suffice. I am aware, of course, of his immense interest in science and research, as well as in business.

Mr. Page: I am now only slightly wounded. My initial training was as a mechanical engineer, so I know a little about the subject. I did my training in the real world rather than in the ivory towers of academia, but I leave that to one side. I have had a long-standing interest in the fortunes of engineering, which dates back to long before I came to the House, and I maintained that interest as a Back Bencher. I continued with it for the short time that I spent as a Minister at the Department of Trade and Industry, before I was given the opportunity to spend a little more time with my family. I still maintain that interest in my more recent role. I am delighted that we have the chance to debate the subject today. My comments will therefore be made with conviction rather than as a result of dogma, although several hon. Members will doubtless feel that my comments are indivisible between the two.

The Science and Technology Committee report makes about 39 conclusions. The Committee will be delighted to know that I intend to speak about only three or four of them. We all understand the long-term factors that are at work in determining the economic record and future prospects of engineering and manufacturing companies. The Government have little direct control in the matter. I echo the point made by the hon. Member for Eastleigh (Mr. Chidgey); those factors run through our education system and the training of engineers, information technology specialists and specialists in the many physical sciences—and those who are often forgotten: the laboratory assistants, draughtsmen and technicians who play a vital supporting role. Also important is the funding of the nation's research and design and development, a stage through which all products must go before they can be marketed, and business men's requirements to make the products available and saleable.

One reason why the United Kingdom is less successful in supporting innovation in engineering, manufacturing and physical sciences is that, as the hon. Member for Bexleyheath and Crayford (Mr. Beard) said, the dignity of applied knowledge is more important in countries such as Germany, Japan and the United States. They do not have that hang-up and seem to avoid our apparent preference for pure science and the humanities in the education system.

I was profoundly depressed to read in the report that it is less acceptable in the UK to follow a career in emerging technology-based companies or start-ups, and that only 7 per cent. of UK graduates, compared with 68 per cent. in the United States, consider starting their own business. That adverse culture, which is against engineering and manufacturing, still exists deep within the education system. That is why the report, although valuable, is fundamentally depressing. I am reminded of the apocryphal story of the schoolteacher who took her charges to a factory but who, on the bus back to school, told them, "That is where you will end up if you do not pass your exams." The report seems almost to underline that attitude to engineering industry.

That attitude must be changed. The Government's responsibility is not only to secure the training of the work force in high-quality skills, as the Royal Academy

[Mr. Page]

of Engineering has pointed out; they must also promote a change in entrenched attitudes. How else can we secure the supply of those technically educated and trained people whose job will be to drive innovation forward in companies and higher education? It is possible to do that.

The Engineering Employers Federation report on engineering general national vocational qualifications published last month showed that young people between the ages of 14 and 16 can be attracted to engineering. Almost half of those taking engineering GNVQs were considering engineering as a career. I am delighted that the girls were particularly interested in product design and development, two areas in which industrial companies have suffered over the years. Two thirds of participants said that they would be prepared to recommend it to their siblings as a career path. I shall not pretend that there is not more work to be done on that and other schemes, because parents and quite a few teachers have still to be persuaded of its full benefits. Some schools surveyed by the Engineering Employers Federation clearly perform better than others and a high proportion of those students—about half—who stay on in education after 16 go on to take A-levels rather than completing the full engineering GNVQ. The important point is that the attitude of those who have taken it has changed and they were more positive about engineering than they had been before.

As I mentioned earlier, the report contains about 39 recommendations and conclusions. However, one point that was not fully considered, but which has been mentioned in the debate, is the fundamental difference between a marketplace requirement that pulls on focused research and general research that pushes through to the marketplace. One has an assured client, a home to go to and someone to pay for it, whereas the other has a more problematic future. I am sorry that the hon. Member for Rayleigh (Dr. Clark) is not in the Chamber because he talked about missing the opportunity to invent Dynotape. We all know that the microwave oven took a few years to follow on from the original discovery of microwaves.

In Japan, there are small groups of people—I believe that one group is called "the ghosts"—who sit down and try to imagine what people would like. When they have worked out what they think people want, they go into a certain area. That drives innovation. I believe that the Sony Walkman was the result of such consideration. That is one of my three pet concerns: the Sony Walkman, jogging and mobile phones. The Sony Walkman will be responsible for more deafness among youngsters than ever before; jogging will lead to people requiring more hip replacements; and the mobile phone is an unknown concern for the future. We have a report on mobile phones before us today, and I believe that legislation could provide an innovative push in that area. Only yesterday, Professor Ted Litovitz, from the Catholic University of America, was in the House. Using a research team, he discovered that the electromagnetic field generated by mobile phones induces biological changes in cells. He was unsure whether it is dangerous but it certainly produced dramatic changes in chick embryos. He discovered that if one could introduce into the phone a small random field, the biochemical response would be removed. In such a case, legislation could be introduced, which would drive the industry.

I want to mention two or three issues raised in the report and to comment and support the remarks made on technology clusters. That is the only way in which we can achieve the various critical masses that are needed to drive forward innovation. Several hon. Members have spoken about their away-day to Boston. About a year ago, I had an away-day to Boston, and I was singularly impressed with the way in which people there encourage innovation. They acknowledged—something that we do not do here—that if someone has an ability in a particular aspect of biotechnology or engineering, that person is unlikely to be an expert on property, running a company, finance and all tax matters. But that is what we require of people when they start a business. People who come up with ideas have to run around, get a lease or buy a property, raise finance and employ people. Young people in particular do not have the expertise.

In Boston, the city elders, including those on the city council and from academia and business, clubbed together and bought three or four research laboratories which were situated back to back. A manager was put in charge. A university professor who spotted someone with a good research idea would say, "Come with us and start your own business." A business manager and someone to run the centre were employed for a percentage of the shares, which was also the basis for raising finance. The young lad or girl could get their research idea up and running quickly without experiencing the learning curve of how to run a business. They were free to get on with developing their research. The record for taking someone from the university to a laboratory was 48 hours. The city elders have not had failure. Indeed, they have had considerable success, with every company spilling on to the marketplace and creating thousands of jobs. The report found a great deal of empirical evidence to support the idea that clusters are effective in fostering innovation, but there is a lack of knowledge on how clusters function.

I know that the Government have established a ministerial group on the subject. I hope that the Minister will expand on its thinking. The issue was raised during the synchrotron debate. By siting the synchrotron in Oxfordshire, Lord Sainsbury gave £50 million for the science base in the north-west. What was the reason for that? Was it a political consolation prize or was there a specific and understood motive? Do the Government intend to determine the location of scientific clusters from the centre? Are they looking for where organic growth in certain disciplines occurs? Will their decisions and policies relate to those clusters, however small? If the Government are to establish scientific clusters, they must have an overall strategy. It is not sufficient to toss a few pounds here, there and everywhere as compensation.

The Committee envisaged a second role for the Govt. The hon. Member for Birmingham, Selly Oak (Dr. Jones) mentioned the mere £22 billion that is being put into the engineering pot. My hon. Friend the Member for Esher and Walton (Mr. Taylor) came up with the auction idea when he was a Minister. I think that he regrets that he was unable to get a slice of the action on that brilliant and highly successful arrangement. The Committee thought that the Government should

produce an economic and fiscal environment to support those who innovate. The hon. Member for Selly Oak explained her method to fund that, but the Government are failing to fulfil that role. A low-tax economy rewards entrepreneurs and investors who take risks and achieve success. I do not expect universal agreement about this in the Chamber, but we must bear in mind that the Government have increased taxation on companies by a substantial amount. We are given a figure of £30 billion, but I do not know how accurate that is. Business must cope with an extra £10 billion in new regulatory costs. I am going to make only one point—it is a completely different point of view. The Committee recommends giving research and development tax credits to large companies as well as small. I can see some merit in that, but an alternative solution to the lack of investment is to create a low-regulation, low-tax economy, which leaves companies free to invest.

The report does not say how the Government will address the challenges in the future. The relative decline in our spending on research has been mentioned by hon. Members. Hon. Members have mentioned the contraction in the numbers and, perhaps more importantly, in the quality of those conducting programmes of research and innovation. The disparity between the reward for careers in management compared to those in the City and other areas has also been mentioned. I know a group of young lads and one girl who studied engineering at Imperial college. They worked exceedingly hard and achieved good degrees. However, two years after attaining their degrees, only one is still working in engineering. The rest have been siphoned off into the City and other careers with much more profitable returns. One has gone to the United States and has caused immense jealousy among his former friends and colleagues because his new company has valued him at £40 million. For a lad of 28, that is not bad going. As others have said, there is disparity in salaries.

I hope that the Minister will comment on how she thinks we can try to change that culture, encourage people into engineering and the physical sciences, and encourage companies to give better rewards for those who take that route.

The Government's record since taking office has not been as satisfactory as some have claimed. The Department of Trade and Industry's own research and development scoreboard for 1998-99 shows that the overall increase in research and development, specifically in engineering and telecommunications, can be accounted for by spending by large companies. We want to see those companies grow. Most companies were and are spending less than the average. The big international companies among the 561 on the 1999 list increased their research and development spending by 12 per cent. That is double the rate of the domestic companies, which are also starting from a lower base.

In engineering, the commitment to fund research and development was lower than that of companies in other industrial sectors. Indeed, when compared with the world average figure, I would go further than the Select Committee's description of "particularly disappointing" and say that in engineering, R and D is largely D. We in this country cannot sit and watch the trend continue.

As I said at the start, I wanted to touch on only three or four points. The report is immensely valuable and the Committee is to be congratulated. I hope that, whatever else it might do, this report will help to drive forward innovation in our engineering and physical science base.

Mr. Deputy Speaker: Before I call the Minister, it is appropriate to tell hon. Members that the Chairman of the Select Committee on Science and Technology has had to leave in order to Chair the Finance Bill Standing Committee. That is the why he could not stay until the end of the debate.

4.54 pm

The Minister for Small Business and E-Commerce (Ms Patricia Hewitt): I feel rather inadequate in responding to this debate as a mere arts graduate who does not even have a PhD. I must apologise to hon. Members for that omission. I hope that I shall at least be able to borrow some reflected glory, as I am the constituency Member of Parliament for the new national space science centre, which will build on the absolutely outstanding work of the University of Leicester's space science department and spread that into business and education.

The hon. Member for Rayleigh (Dr. Clark) explained that he would not be able to stay in Westminster Hall to hear the winding-up speeches and courteously informed me of that before the debate. I pay tribute to him for his work as Chairman of the Science and Technology Committee and for the experience that he has brought to that post as a scientist. I should like also to compliment all members of the Committee on their outstanding, long and hard work in producing an excellent report.

The debate is timely, as this week sees Celebration of Innovation 2000, a week-long series of national and regional events around the United Kingdom. The event celebrates and showcases innovation in all its different forms, and brings together more than 25,000 innovators, entrepreneurs, academics, scientists and engineers. It builds on what used to be only a single event on a single day. This debate is highly appropriate, taking place in the same week as an excellent series of events organised by the Department of Trade and Industry innovation unit.

In his excellent opening speech, the hon. Member for Rayleigh made the important point that a stable economic base must underpin science, research, development and the whole chain of innovation. It is the absence of economic stability and—to use a novel phrase—the depressing cycle of boom and bust that has inhibited investment in Britain. That instability is one of the main reasons for the decline in civil research and development expenditure, to which the hon. Member for Rayleigh and other hon. Members have rightly referred and to which the Committee devotes much attention in its report.

Of course, our research and development expenditure is nowhere near as high as that of a number of our international competitor countries. As several hon. Members have noted, our current gross expenditure on research and development is merely the fifth highest among countries in the Group of Seven. As I think the hon. Member for Rayleigh acknowledged, the most recent figures, which have been released since the

[Ms Patricia Hewitt]

publication of the report, indicate an arrest in that decline. Between 1997 and 1998, total research and development expenditure increased in real terms by 2 per cent. to some £15.5 billion. In 1998, total expenditure on research and development in the United Kingdom increased as a percentage of gross domestic product for the first time since 1993, to £10.2 billion.

As hon. Members have acknowledged, the United Kingdom's pharmaceuticals and aerospace sectors are world leaders in their field and continue to build on the large-scale investments that they have made in research and development. Civil expenditure on business enterprise research and development increased in real terms in 1998.

Our pointing out those facts, as we did in our response to the Select Committee's report, does not mean that we are complacent or that we think that one swallow will make a summer. However, the facts suggest that we might have bottomed out and that we might be turning a corner. Our intention in government is to do what is necessary to ensure that those encouraging figures are not simply a blip in a long story of continuing decline, but represent a turning point in research and development investment. That is one of the crucial issues that we are considering in the spending review 2000, especially through the cross-cutting review on science and innovation, to which we will return in the science White Paper.

Much of the increase in R and D is funded from abroad. That demonstrates the growing confidence of foreign-owned firms in our science and engineering base. The base is one of the many elements that attract them to this country and continue to make the UK the No. 1 destination, by a considerable margin, for direct foreign investment in the European Union.

There are also exciting examples to be drawn from UK business. I had the opportunity on Tuesday morning of spending several hours at BT's technology park—Adastral park—of which I am sure many hon. Members are aware. Engineers, physical scientists and scientists and innovators from many other disciplines are coming together, not simply to create new leading-edge scientific applications but, crucially, to start exploiting BT's research over many decades. The company has discovered that research has resulted in a stockpile—a gold mine—of patents that have never been commercially exploited. It invented and patented wonderful processes, and put them away because they were not directly relevant to the business. It was extremely encouraging to see at Adastral park a marriage of scientific research and entrepreneurship. That is leading to a spin-off of companies from the old patents, which are being nurtured at BT's new incubator at the park.

We must ensure that the increase in R and D expenditure that has begun is continued and built on. My hon. Friend the Member for Bexleyheath and Crayford (Mr. Beard) rightly notes, as does the Committee's report, that innovation is not a one-off event but a chain of activities. As the Government, we must help—and we are doing so—to strengthen every link in that chain of innovation. Our commitment to the first link in the chain is demonstrated by the increase in spending on the science and engineering base of £1 billion over the three years from 1999-2000 to 2001-02, as my hon. Friend acknowledged.

We have already achieved 47 of the 75 commitments that we made in the competitiveness White Paper. Achievements include not only the increase in the science budget, but the creation of the joint infrastructure fund. That is part of an exciting new partnership between the Wellcome Trust and the Higher Education Funding Council for England, which is beginning to reverse the chronic and long-standing under-investment in research infrastructure. We were able to announce last month support worth almost £130 million for 27 projects at 21 universities across the country. That brought the total spend to date to £600 million.

We introduced the R and D tax credit for small and medium-sized enterprises in this year's Budget. I note the Committee's view that it should be extended to larger companies, which I have heard echoed by industrialists in such companies. The Government will of course consider the issue. As hon. Members will surely realise, the difficulty is that one would run the risk of substantial deadweight costs if one were to extend the credit to very large companies. Tax allowances would be given for R and D investment that would have occurred anyway. There is a real issue for small companies that are part of larger conglomerates, particularly when the re[illegible] of the group is based overseas.

For that reason, small United Kingdom companies may find themselves excluded from the benefits of the tax credit and other programmes. We certainly need to consider that. The Department has also increased the budget for helping businesses to use new technology and to encourage innovation. We have strengthened the links between universities and businesses, including the crucial promotion of business incubators in universities.

The programmes have shown some startling successes. Even though we must be realistic about the challenges that we face, it is important that we do not talk down the successes that are already being achieved. For instance—I readily acknowledge that this was under the previous Government—Bookham Technology Ltd. obtained a smart grant from the DTI to help it to exploit an invention in optical networks. The founder and president of that company, Dr. Andrew Rickman, said that Bookham Technology could not have started without it. It started as a one-man company, consisting of Andrew Rickman, but is now a business with a market capitalisation of nearly £4 billion. I wonder whether a case might be made for taking just a tiny, tiny slice of equity in companies that are awarded such grants—although that, of course, is a matter for my right hon. Friend the Chancellor.

The hon. Member for Rayleigh—other hon. Members echoed the point—suggested that we need to simplify and streamline the large number of programmes that support links between the science base and industry. I have a great deal of sympathy with that view. We know that it is often difficult for the entrepreneur or the person running a small business to know where to go for help, or where to find the innovative science or academic expert needed to transform the business. The recently created small business service has a remit to consider how to simplify

and streamline general Government support for small businesses. The issue of making our support for innovation even more effective, particularly as it is used by small businesses, will be dealt with in the science White Paper.

We have done and are doing more, particularly in electronic commerce and in support for small businesses. We have been working—I believe successfully—with small businesses to accelerate the rapid take-up of new information and communication technologies. We are helping to develop the UK venture capital industry; indeed, several hon. Members referred to the importance of business angels and the venture capital sector in supporting entrepreneurship. Through public investment in the enterprise fund, we are creating not only the high technology venture capital fund, but regional venture capital funds, which will help to close the equity gap faced by too many of our businesses.

We have been reviewing and reforming the laws on insolvency and bankruptcy, to reassess our approach to risk, and to ensure that honest, but perhaps unfortunate, entrepreneurs are not deterred from going back into business. The hon. Member for Rayleigh made the important point that, in reforming the insolvency laws to promote honest entrepreneurship and risk taking, we must not damage the interests of creditors, who may themselves be entrepreneurs and small businesses. He is absolutely right. We are ensuring that, in our arrangements to distinguish between honest bankrupts—the vast majority—and the minority of bankrupts who have indulged in fraudulent or dishonest practices, we not only protect creditors, but strengthen arrangements for them and implement more effective schemes for voluntary repayment. The small business service is already making strides towards delivering our goal of providing world-class business support services to small businesses all around the country.

My hon. Friend the Member for Middlesbrough, South and Cleveland, East (Dr. Kumar) spoke with a wealth of knowledge about science and innovation in the north-east, much of it gained from his experience before he entered the House. One phrase that I thought was hugely significant was his reference to what some people call "the old economy". The two phrases "the new economy" and "the old economy" have created a misleading impression of what is going on as we move into the knowledge-driven economy of the future. They all too often imply that the sectors of the old economy, particularly those of traditional manufacturing, are inevitably destined for decline and death. That is wrong and shows a complete misunderstanding of the technological revolution that is taking place.

The new technologies, including information and communication technology, are transforming production processes and products in every sector, including the most long-established manufacturing sectors. Part of our mission is to ensure that small and medium-sized businesses in every part of the economy, but particularly in the manufacturing sector, exploit the new technologies to the full so that we have a high-technology manufacturing base which will help to raise standards of living and quality of life, and to generate new and better jobs. He referred also to the importance of venture capital funding and I entirely agree on the need to ensure that equity funding is available right around the country, and not simply in the south-east.

My hon. Friend the Member for East Carmarthen and Dinefwr (Mr. Williams) rightly referred to the wonderful science "car boot sales" that have been initiated by the Royal Society of Chemistry. They are clearly an innovative way of spreading the spirit of innovation into small companies. We know from evaluation that they have been extremely successful in that aim. I entirely agree with my hon. Friend about the need to balance our support for pure research in the universities with our support for knowledge transfer and the exploitation of that research in the marketplace.

Our universities should be both stimulators and facilitators of knowledge transfer to business and to society more broadly. We want universities to adopt a diversity of missions so that they excel in their chosen areas of strength, whether pure research or knowledge transfer. We are trying to encourage that application of science and knowledge through new initiatives such as university challenge, the science enterprise challenge and the higher education reach-out into business and the community fund, all of which the Committee welcomed.

We have also increased funding for some long-established programmes, including the teaching company scheme programme, and are building on that in the new Faraday partnerships. My hon. Friend the Member for East Carmarthen and Dinefwr was a little too dismissive of the investment that we are making in the Faraday partnerships. Four pilot centres are up and running. We have just issued the call for the next four, but we will not stop there. The intention is to roll out new Faraday partnership centres at a rate of four a year.

My hon. Friend the Member for Birmingham, Selly Oak (Dr. Jones) rightly referred to the importance of people. Innovation is fundamentally about people at every point in the value chain. She and the hon. Member for Eastleigh (Mr. Chidgey) stressed the need to attract young men and women into science and engineering at university level and then into careers in those fields. Overall, the number of people graduating with science, engineering and technology qualifications has increased. More people than ever before are graduating in those disciplines. However, although the absolute number is increasing, those people represent a declining proportion of the growing number of students.

There are some mismatches between supply and demand. Employers are reporting shortages at graduate and postgraduate level in specialised forms of chemistry and electronic engineering, for example. Business needs graduates with broader business expertise as well as excellent scientific and engineering skills. That is one reason why we have encouraged universities and given them real financial incentives to include business skills and entrepreneurial education in the curriculum for science and engineering undergraduates.

There is a widespread shortage of people with intermediate qualifications, particularly in engineering and information technology. We have responded by creating the new foundation degrees, which broaden the higher education portfolio. They will provide specialist technical knowledge, employability skills and the broad understanding needed in the new economy. That will help to increase our national competitiveness by tackling the skills deficit at the intermediate level.

[Ms Patricia Hewitt]

We are acting on the important issue of building high-technology science-based industrial clusters, which my hon. Friend the Member for Selly Oak and the hon. Member for South-West Hertfordshire (Mr. Page) raised. As we say in our response to the Committee's report, the Government have a clear role in providing the environment in which new and existing clusters can develop and grow. Lord Sainsbury is developing that work through the clusters policy steering group. It will make recommendations for new policy initiatives to the Cabinet, which held an extremely important seminar on clusters with Professor Michael Porter from Harvard university some months ago, because they are a crucial ingredient in a modern industrial policy. The group has a broad membership and is engaging in widespread consultation. It will also draw on a full mapping study of the clusters that exist or are emerging.

Regional development agencies will be the key delivery mechanism of progress. Every RDA's economic strategy is to begin to identify the clusters on which to build, and which they need to strengthen by attracting new inward investment. In the Budget, my right hon. Friend the Chancellor allocated £50 million of additional funding to help RDAs to promote clusters and business incubation.

My hon. Friend the Member for Selly Oak made an important point about environmental technologies and ensuring that we secure competitive advantage for United Kingdom businesses in developing such technologies, the production processes and the products which will become increasingly important in tackling enormous problems such as climate change. We are already undertaking a considerable amount of work.

My hon. Friend referred to the motor manufacturing sector. Through the cleaner vehicles task force, we have worked with the Department of the Environment, Transport and the Regions and the motor industry to pull through more rapid innovation in the development of less polluting and non-polluting vehicles that will help to meet the rapidly growing demand for better mobility. We have also introduced the climate change levy on a revenue-neutral, base to give better environmental signals to business and encourage the innovation that she described.

I am all too conscious that I have not been able to respond to every point raised during this extremely interesting, informative and well informed debate. We are living at a time of fundamental discontinuity and witnessing an absolute revolution in technology and the economic system. Our country led the world into the first industrial revolution, and we are determined to ensure that it becomes one of the winners and leaders in the new knowledge-driven economy of the 21st century.

I am very grateful to all the hon. Members who helped to compile the Committee's excellent report. I assure them that we will draw on their recommendations when we finalise our science White Paper, and then move forward to deliver on its vision of the United Kingdom as a world-beater in the knowledge-driven economy.

Mr. Deputy Speaker: Order. This has been a very good debate on a most important Select Committee report. Such debates are one purpose of sittings in Westminster Hall.

Question put and agreed to.

Adjourned accordingly at twenty minutes past Five o'clock.

Written Answers to Questions

Tuesday 2 May 2000

LORD CHANCELLOR'S DEPARTMENT

Marriage Counsellors

Mr. Gerald Howarth: To ask the Parliamentary Secretary, Lord Chancellor's Department how many marriage counsellors funded *(a)* partly and *(b)* wholly by the Government, there were in the UK in (i) 1970, (ii) 1980 and (iii) 1999; and what was the cost. [120660]

Jane Kennedy: In the financial year 1999–2000 the Lord Chancellor's Department spent £3.2 million on marriage and relationship support. Grant-in-aid is given to the central bodies of the main marriage support and research organisations towards expenses incurred in the development of training and support to local services, including the selection, training and supervision of counsellors, and administrative costs.

In line with Sir Graham Hart's recommendations in his report on Marriage Support Funding (November 1999), the allocation is being increased to £4 million in 2001–01; £4.5 million in 2002–02; and £5 million in 2002–03. Figures for 1970 and 1980 are not readily available and could be provided only at disproportionate cost.

SOLICITOR-GENERAL

EU Withdrawal

Mr. Bercow: To ask the Solicitor-General, pursuant to his oral answer of 13 April 2000, *Official Report*, column 498, what was the basis of his statement concerning the policy of the organisation Conservatives Against a Federal Europe toward withdrawal from the EU. [119836]

The Solicitor-General: I understand that until recently the CAFÉ website stated that if certain ends were not achieved by negotiations, quite unrealistic in my opinion, the UK must withdraw from the EU.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Sellafield

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the extent to which the site ion exchange extraction and the enhanced altinide removal waste filtration plants servicing the thermal oxide reprocessing plant facility at Sellafield have met their planned operational functions. [119134]

Mr. Meacher: The Environment Agency monitors and assesses the performance of the various effluent treatment plant on the Sellafield site including the site ion exchange extraction plant (SIXEP) and the enhanced actinide removal plant (EARP).

During 1998 the Environment Agency report concluded that the Enhanced Actinide Removal Plant (EARP) performed satisfactorily in the removal of plutonium and other actinides from liquid effluent streams. In addition, the report considered that the plant has been reasonably effective for the removal of strontium-90 (Sr-90) and caesium-137 (Cs-137). The Agency considers there is scope for optimising the performance of EARP in line with the best practicable means. The Agency will continue to press for improvements in the effectiveness of EARP in reducing radionuclide discharges.

The Agency also judges that the Site Ion Exchange Plant (SIXEP) has continued to operate satisfactorily in 1998 and has achieved high efficiencies for the removal of both Sr-90 and Cs-137 from the fuel storage pond effluents. The Agency notes that BNFL has made progress in the research and development programme for the optimisation of SIXEP.

Electrical Goods

Mr. Gummer: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to phase out stand-by systems on electrical goods. [119288]

Mr. Meacher: The approach which the Government have followed, with other EU countries, is not to prevent the inclusion of stand-by systems in such products. In future, more equipment will communicate automatically with other equipment, users and service providers, and this will involve stand-by systems. Therefore, our approach is to ensure that these features incorporate good energy efficiency technology and do not encourage waste. We have been supporting EU initiatives in this field, which recently led to an agreement with manufacturers to reduce stand-by power consumption of new televisions and video cassette recorders. Further initiatives are in hand to reduce stand-by energy consumption in the fast growing areas of "set-up boxes" and power supply packs.

Birth Certificates

Mr. Caton: To ask the Secretary of State for the Environment, Transport and the Regions for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120320]

Ms Beverley Hughes: A birth certificate or similar documentary evidence may be required for one or more of the following reasons:

proof of identity
proof of eligibility under the civil service nationality rules
proof of age.

In addition to the purposes listed, the Driver and Vehicle Licensing Agency requires applicants for their first photocard driving licences to produce either a birth certificate or a passport in support of their application.

Deprivation (Funding)

Mr. Coaker: To ask the Secretary of State for the Environment, Transport and the Regions what funding sources are available to small pockets of deprivation outside the inner cities. [120124]

Ms Beverley Hughes: The Single Regeneration Budget (SRB) is the main source of government funding for tackling the most deprived areas in England, regardless of whether or not they are in inner-city areas, amounting to some £679 million in 1999–2000. However, 20 per cent. of the SRB resources goes to significant pockets of deprivation in areas which are not in the most deprived areas, such as rural areas, market towns, the former coalfield areas and coastal towns.

In addition, substantial amounts of European Structural Funds will be available for the period 2000–06 amounting to £1,867 million for Objective 1 areas and £2,370 million for Objective 2 areas. A wide range of Government funding is also available, both as match funding and more generally, and this is set out in the DTI booklet, "Match Funding for European Structural Funds", published in March 2000.

Waste Management

Mrs. Brinton: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the Government's strategy for waste management. [120089]

Mr. Meacher: The Government published "A Way With Waste", the draft waste strategy for England and Wales, in June 1999. The draft strategy described the need for substantial changes in the way we manage our waste, and the range of actions needed to deliver that change. We will publish the final version shortly.

Seat Belts

Mrs. Ray Michie: To ask the Secretary of State for the Environment, Transport and the Regions what action he is taking to encourage the fitting of seat belts on minibuses and coaches; and if he will make a statement. [120261]

Mr. Hill: Since 1998, all minibuses and coaches used to carry groups of three or more children on organised trips, including home to school transport, have been required to have seat belts fitted. The DETR is currently conducting a public consultation exercise on draft regulations which will require seat belts to be fitted to all new minibuses, coaches and buses which do not carry standing passengers. I understand that many minibus and coach manufacturers are already fitting seat belts as standard equipment to their new vehicles.

Mrs. Ray Michie: To ask the Secretary of State for the Environment, Transport and the Regions what is the Government's policy on the introduction of compulsory wearing of seat belts on minibuses and coaches transporting children; and if he will make a statement. [120262]

Mr. Hill: All minibuses and coaches carrying children on organised trips must provide a forward facing seat and a lap belt as a minimum. On minibuses with an unladen weight of 2,540 kgs or less, the law already requires that seat belts be worn where fitted.

The Government currently have no plans to introduce compulsory seat belt wearing in minibuses above 2,540 kgs unladen weight and in coaches transporting children. The Government recognise the attractions of such a step but problems arise over enforcement and the legal liability of a driver in respect of children under 14. Moreover, the police would not be able easily to enforce seat belt wearing regulations in such large vehicles. Nevertheless, we are keeping this matter under review.

Road Maintenance

Mr. Moore: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish the results from each local highway authority that were used in the 1998 National Road Maintenance Condition Survey. [120734]

Mr. Hill: The National Road Maintenance Condition Survey is designed to produce estimates at the national level but not at the individual local authority level. Accordingly information is collected from local highway authorities on the basis that it is for statistical purposes only and will not be published by the DETR in an identifiable form.

Mr. Moore: To ask the Secretary of State for the Environment, Transport and the Regions when the results of the 1999 National Road Maintenance Condition Survey will be published. [120733]

Mr. Hill: The Report was published on 26 April (this was the publication date announced in "National Statistics Update" on 29 February). Copies of the Report are available in the House of Commons Library.

Whitley Way, Hampshire

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions (1) what representations he has received on the building of Whitley Way in Hampshire; [120271]

(2) what estimate his Department has made of the costs of purchasing land to build Whitley Way in Hampshire. [120270]

Ms Beverley Hughes: As the Whitley Way is proposed as a local distributor road it is for the local planning and highway authorities to decide whether it should be built. This Department has therefore made no estimate of the associated costs. The Department has received a small number of representations about this road.

Traffic-free Areas

Mr. Bill O'Brien: To ask the Secretary of State for the Environment, Transport and the Regions what procedures his Department has laid down to be followed when local authorities intend to introduce traffic into pedestrian areas or town centres; and if he will make a statement. [120386]

Mr. Hill: Local authorities have powers under the Road Traffic Regulation Act 1984 to regulate traffic on local roads by making traffic regulation orders. These powers can be used to allow traffic into pedestrian areas or town centres. Access can be restricted to certain classes of vehicles and/or times of day. Local authorities are required to follow statutory procedures laid down in "The Local Authorities' Traffic Orders (Procedure)

(England and Wales) Regulations 1996", which include consultation with interested parties and publication of their proposals in a local newspaper. The Department has also published guidance on introducing pedestrian zones in Local Transport Note 1/87 titled "Getting the Right Balance—Guidance on Vehicle Restriction in Pedestrian Zones".

Royal Train

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 19 April 2000, *Official Report*, columns 489–90W, on the Royal Train, what steps are being taken to increase the non-royal use of the Royal Train. [120615]

Mr. Hill: Under the arrangements establishing the Royal Travel grant-in-aid in 1997, the Royal Household and the Department decided to consider proposals for alternate use of the Train, when it was in the national interest to do so and as part of the ongoing policy of reducing the cost of official Royal travel. Government Departments were duly advised that the Train, when not being used for official Royal travel, was available for use on a reimbursable basis. To date, the FCO is the only Government Department to have used the Train.

Both the Department and the Household have received preliminary inquiries from several organisations about using the Train but none of these has yet put forward any firm proposals.

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions how many times the Royal Train was used by *(a)* Her Majesty the Queen, *(b)* the Prince of Wales and *(c)* other members of the Royal Family in the last 12 months. [120616]

Mr. Hill: In the year ended 31 March 2000, the Royal Train was used *(a)* eight times by Her Majesty the Queen accompanied by the Duke of Edinburgh, *(b)* 14 times by the Prince of Wales, and *(c)* twice by the Duke of Edinburgh and once by the Princess Royal. All these journeys were in support of official Royal engagements.

House Building (Flood Plains)

Mr. Robertson: To ask the Secretary of State for the Environment, Transport and the Regions what is the national planning guidance regarding the building of houses on flood plains; and if he will make a statement. [120219]

Ms Beverley Hughes: My hon. Friend the Minister for Housing and Planning announced on 13 April 2000, *Official Report*, columns 249–50W, the publication of a consultation draft of a new Planning Policy Guidance Note 25, "Development and flood risk". This sets out proposals for a strengthening of the existing policy, which seeks to avoid inappropriate development in flood plains or development that increases flood risk. It gives specific guidance on the approach to new housing development. It recognises, however, that there will be occasions when other considerations outweigh flooding issues in favour of development proceeding. In such cases, it emphasises the need for development to be made safe through the adoption of appropriate protection or mitigation measures.

Wembley Stadium

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the proposals for improvements to the road and rail links to Wembley Stadium and the costings for such improvements. [120634]

Mr. Hill: The Wembley Task Force is in the process of developing proposals for road and rail improvements to Wembley Stadium, in conjunction with the local authority, rail operators and Wembley National Stadium Ltd.

Regional Development Agencies

Mr. Stevenson: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer to the hon. Member for Manchester, Central (Mr. Lloyd) on 17 April 2000, *Official Report*, column 317W, on regional development agencies, for what reason the West Midlands regional development agency received no increase in funds. [120500]

Ms Beverley Hughes: The West Midlands Development Agency received an increase in funds of £1.0 million between 1999–2000 and 2000–01. Six of the Agency's seven main budgets have increased, by a total of £12.4 million. The seventh, for Land and Property, has decreased by £11.4 million as a result of year-on-year variation in legally-committed expenditure and in income derived from sales.

Pet Cremation

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the impact on pet cremation services of current and proposed waste incineration and animal waste rules. [120605]

Mr. Hill: Expert consultants reported to my Department on the impact of the proposed waste incineration directive, including for pet crematoria, at the beginning of 1999. The report, "Regulatory and Environmental Impact Assessment of the Proposed Waste Incineration Directive" (Entec UK Ltd.) is in the House Library.

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions what consultation has taken place with those offering pet cremation services on the implementation of the Waste Incineration Directive Common Position 7/2000. [120606]

Mr. Hill: As part of the preparation of their report to my Department on the impact of the proposed waste incineration directive, expert consultants at the end of 1998 consulted two pet crematoria direct, including a site visit, and consulted the UK Private Pet Cemetery and Crematoria Association. A copy of the report, "Regulatory and Environmental Impact Assessment of the Proposed Waste Incineration Directive" by Entec UK Ltd. is in the House Library.

We now expect the proposal to be adopted as a Directive in the autumn, subject to the progress of the final stages of negotiation. The deadline for transposition into UK law will be two years after adoption. The proposal is therefore likely to apply to new plant from autumn 2002. Existing plant will not, however, have to comply until 5 years after adoption, ie autumn 2005.

We are looking at implementation options, which will minimise the burden on pet crematoria while ensuring that there are appropriate environmental safeguards.

Parish Councils

Ms Ward: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to change the role and powers of parish councils. [120625]

Ms Beverley Hughes: Parish councils are an essential part of the structure of local democracy. They will continue to play a key role in the governance of many of our towns and villages. As part of the preparation for our forthcoming Rural White Paper we are looking at ways of strengthening the contribution that parish councils can make.

DEFENCE

Prisoners of War

Mrs. Lait: To ask the Secretary of State for Defence when he will announce his decision on a special gratuity for former Far East prisoners of war or their widows. [120033]

Dr. Moonie: I met with representatives of the Royal British Legion, along with the Prime Minister, on 10 April to discuss this issue. The matter is being given careful consideration; however, no decision has yet been made.

Atomic Weapons Establishment

Mr. Alan Simpson: To ask the Secretary of State for Defence what assessment he has made of Lockheed Martin's safety record in nuclear work undertaken in the United States; and if he will list the identified shortcomings. [116240]

Mr. Spellar: In the assessment process for the AWE contract, bidders were required to provide information to demonstrate their safety record. AWE ML provided full information on its parent companies including Lockheed Martin. This information was assessed not only by the Department but by the independent regulators, the Nuclear Installations Inspectorate (NII) in the context of AWE's existing safety regime, and by the Environment Agency (EA). The NII confirmed before the contract was signed that it was satisfied. The EA confirmed its satisfaction on 9 March when it issued revised discharge authorisations for the AWE sites.

After the contract was placed on 1 December, there was an incident at the Oak Ridge Y12 facility in Tennessee which resulted in the publicity of a number of alleged shortcomings in Lockheed Martin's safety record in the US. As a result the Secretary of State asked the Chief of Defence Procurement to carry out a further review to ensure that none of the Lockheed Martin nominees to AWE ML was connected with the criticisms made. In addition, the Department consulted with the US Department of Energy concerning Lockheed Martin's safety performance, and both of the UK's regulatory authorities were again consulted about the suitability of Lockheed Martin to act as a shareholder in AWE ML.

Mr. Alan Simpson: To ask the Secretary of State for Defence if he will list the criticality non-compliances recently reported to his Department for which Lockheed Martin was responsible in the USA which his Department deemed significant. [116243]

Mr. Spellar: Incidents at nuclear facilities in the US are the responsibility of the US regulators and therefore are not routinely reported to the Department. However, as part of the bidding process for the contract to manage and operate AWE, each consortium had to provide information to demonstrate the safety performance of their parent companies, including Lockheed Martin. Furthermore, the Nuclear Installations Inspectorate (NII) routinely review significant safety events even if they take place outside the UK to see if there are any implications for safety at UK nuclear facilities. The Department also took account of the opinions of the US regulators in assessing the review of policies and procedures at the Oak Ridge Y12 plant carried out by Lockheed Martin.

I would like to add that following the incident at the Oak Ridge facility in early December, an amendment was inserted into the new AWE contract by which Lockheed Martin, and its partners in AWE ML, are required to notify MOD of occurrences that might have a bearing on operations at AWE within 48 hours.

Mr. Alan Simpson: To ask the Secretary of State for Defence on what date he was informed of Lockheed Martin's safety record at the sites it managed for the Department of Energy in the USA. [116241]

Mr. Spellar: As part of its bid for the new contract to manage and operate AWE, the AWE ML consortium provided the Department with evidence on the safety record of each of its parent companies, including Lockheed Martin. Each bidder was required to demonstrate a proven and successful track record with specific relevant experience in, inter alia, licensed nuclear site operations. Lockheed Martin provided this information to the Department on 1 June 1999.

Mr. Alan Simpson: To ask the Secretary of State for Defence what plans he has to reconsider the decision to award the Aldermaston and Burghfield contract to AWE Management Ltd. [116245]

Mr. Spellar: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Reading, West (Mr. Salter) on 29 March 2000, *Official Report*, columns 159–60W.

Departmental Property

Mr. Don Foster: To ask the Secretary of State for Defence what *(a)* number and *(b)* percentage of properties in his charge are empty; and what steps are being taken by his Department to reduce the number of such properties. [116917]

Dr. Moonie *[holding answer 3 April 2000]:* At 1 April 1999 there were a total of 13,962 unoccupied properties within the Services married quarters estate in the United Kingdom and Northern Ireland. This represented some 21 per cent. of total stock.

At 1 April 1999 the Defence Housing Executive held a stock of 62,420 married quarters in England, Scotland and Wales, of which 48,852 were occupied and 1,999 were in the course of disposal. Of the balance of 11,569 properties, 2,559 were under offer to Service families and were likely to be occupied within the next two months; 1,035 properties were vacant awaiting future Unit deployments or use as decant accommodation during the refurbishment programmes; 1,931 properties were empty awaiting modernisation and 6,044 were routine empty properties, i.e. a working management margin for some 22,000 family moves each year.

The majority of empty Service quarters are only temporarily so. The large number of Service family moves a year requires a management margin of empty stock ready for incoming occupants. Additionally, an ongoing modernisation programme and Defence reorganisation also demand that a considerable number of properties are empty while work is undertaken and future plans are clarified. Some 2,000 properties were released in 1999 and some 6,500 properties are planned to be released over the next two years.

The majority of the MOD housing stock in England and Wales is owned by Annington Homes. Properties identified as having no long term requirement to the Department are released to that company. Surplus MOD-owned properties are sold through Defence Estates.

In Northern Ireland a further 3,054 Service families quarters were owned by the Ministry of Defence at 1 April 1999 of which 394 were empty.

Mr. Hancock: To ask the Secretary of State for Defence how many properties in the United Kingdom earmarked for Army officers, Naval officers, and RAF officers are empty; how many have been empty for more than six months; what the figures are for Hampshire; and if he will make a statement. [118700]

Dr. Moonie: Service Families Accommodation (SFA) is managed on a tri-Service basis and is made available according to entitlement, i.e. by rank and family size. A breakdown by individual Service is not available. At 31 March 2000 there were 2,288 unoccupied officers' SFA in England, Scotland and Wales. Of these, 1,161 have been empty for more than six months. There were 234 unoccupied officers' SFA in Hampshire at 31 March 2000 of which 96 had been empty in excess of six months.

Overall, 6,500 properties are planned for disposal during the next two years. Most of the MOD housing stock in England and Wales is owned by Annington Homes and underleased by MOD. Properties identified as having no long-term requirement to the Department are released to that company. Surplus MOD owned properties are sold by Defence Estates.

In Northern Ireland 50 officers' quarters were empty at 31 March 2000 of which 12 had been empty for over six months.

Principal Anti-air Missile System

Mr. Hancock: To ask the Secretary of State for Defence what is the cost of the UK's participation in the Principal anti-air missile system. [117848]

Dr. Moonie: This is a matter for the Chief Executive of the Defence Procurement Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from Robert Walmsley to Mr. Michael Hancock, dated 2 May 2000:

I am replying to your question to the Secretary of State for Defence about the cost of UK participation in the Principal Anti-Air Missile System (PAAMS). This matter falls to me to answer within my area of responsibility as Chief of Defence Procurement and Chief Executive of the Defence Procurement Agency.

As I said in my letters to you of 15 and 21 December 1999, the total programme cost for the twelve currently planned Type 45 warships (including weapon systems) is approximately £6Bn. This includes approximately £1.2Bn for the development, design and build of the first of class ship and £1Bn for the development and initial production of PAAMS. The balance of £3.8Bn contains funding for additional missile procurement and allows for the incremental acquisition of the combat system.

Troop Strengths

Mr. Key: To ask the Secretary of State for Defence if he will list the *(a)* trained strength and *(b)* trained requirement of the UK (i) regular armed forces, (ii) reserve forces and (iii) Territorial Army. [118789]

Mr. Spellar: The latest available figures on a consistent basis across all services are as follows:

(a) UK Regular Forces trained strength and trained requirement as at 1 February 2000:

UK Regular Forces[1] trained strength—186,317

UK Regular Forces[2] trained requirement—194,661

(b) UK Volunteer Reserve Forces strength and post-SDR establishment as at 1 February 2000 (all figures include trained and untrained personnel):

UK Volunteer Reserve Forces[3] current strength (includes Territorial Army strength[4] of 44,387)—50,224

UK Volunteer Reserve Forces[3] post-SDR establishment (includes Territorial Army post-SDR establishment of 41,204)—48,288

[1] Excludes trained strength of 3,259 Gurkhas.

[2] Excludes trained requirement of 2,945 Gurkhas.

[3] Includes volunteer reserve forces only. These comprise the Royal Naval Reserve, the Royal Marine Reserve, the Territorial Army and the Royal Auxiliary Air Force.

[4] Excludes strength of 1,408 non-regular permanent staff.

[5] See note [3].

Defence Evaluation and Research Agency

Mr. Sheerman: To ask the Secretary of State for Defence what consultation process has been carried out involving staff of the Defence Evaluation and Research Agency on its future. [119033]

Mr. Hoon: Following the announcement in 1998 of a Public Private Partnership (PPP) for the Defence Evaluation and Research Agency (DERA), consultation has been an important and regular feature of the process.

We have consulted directly with staff on a formal and informal basis and also through trade union representatives, and will continue to do so.

The mechanisms for PPP consultation to date have included:

DERA PPP Consultation Documents, published in May 1999 and April 2000, which invited staff, and other stakeholders to comment on the Ministry of Defence's proposals for a PPP structure.

Regular senior management briefings.

Team briefings conducted on a monthly basis by departmental managers.

DERA News, a monthly in-house publication, which regularly updates staff on the progress of the PPP.

DERA website, which again provides regular updates.

Informal departmental briefings.

In addition to direct consultation with staff, Ministers have met on a number of occasions with trade union representatives to discuss the progress of the PPP. Officials have also met with union representatives on a regular basis to discuss their specific issues and concerns.

Following the announcement in the House, 17 April 2000, *Official Report*, columns 366–67W, we are now engaged in a period of formal consultation on our revised proposals for the PPP. A consultation document has been made widely available with comments invited by 9 June 2000. A copy of this document has been placed in the Library of the House.

During this consultation period presentations and discussions with staff and trade unions will also be arranged in order to address any issues and concerns regarding the PPP proposal prior to a final decision being made.

Mr. Sheerman: To ask the Secretary of State for Defence what recent consultation he has carried out with private sector defence contractors on the future of the Defence Evaluation and Research Agency. [119034]

Mr. Hoon: Following the announcement in 1998 of a Public Private Partnership (PPP) for the Defence Evaluation and Research Agency (DERA), consultation has been an important and regular feature of the process. We have consulted with a wide range of key stakeholders, including private sector defence contractors. This has focused on formal industry bodies such as the National Defence Industry Council (NDIC) and Association of Independent Research and Technology Organisations (AIRTO), although there have been direct representations from individual companies. Last year's consultation exercise on a potential PPP solution produced valuable responses, which have informed the most recent phase of work.

The current consultation exercise, which I announced in the House on 17 April 2000, *Official Report*, columns 366–67W, will give all stakeholders the opportunity to submit their views on our revised proposals for the DERA public private partnership. We also plan to hold various consultation events with key stakeholders. I can assure my hon. Friend that views expressed will be taken into account before a final decision is made.

Mr. Simon Thomas: To ask the Secretary of State for Defence what percentage of shares in NewDERA plc he expects the Government to hold *(a)* on flotation of the new company and *(b)* as a minimum public holding. [120502]

Mr. Hoon: At this stage of the public private partnership (PPP) process it would be premature to determine the extent of a Government stake in the NewDERA company.

It is however the Government's objective that the company would be floated on the Stock Market as soon as its potential is judged to be suitably developed, which could be during 2001.

Initially, MOD is likely to retain a significant financial stake in NewDERA to ensure that taxpayers receive full value for their investment. However, retention of this stake would not be a long term position.

Mr. Baker: To ask the Secretary of State for Defence (1) what plans are in place to ensure that information on experiments and the welfare of animals held at DERA will still be accessible when DERA is part-privatised; and if he will make a statement; [120131]

(2) what plans are in place to ensure that the welfare of animals held at DERA for experiments will be protected when it is part-privatised; and if he will make a statement. [120134]

Mr. Hoon: Animal Welfare within DERA is conducted strictly in accordance with the requirements of the Animals (Scientific Procedures) Act 1986 under which the Home Office licenses and oversees all such activity. These regulations, of course, apply to all private sector organisations, and will therefore continue to govern the welfare of any animals in defence research, whether in the public or the private sector.

Information held on defence research using animals within MOD will continue to be available as it is at present. However, subject to meeting all the requirements of the Animals (Scientific Procedures) Act 1986, access to information on any such research carried out by the new private sector company will be a matter for that organisation to determine.

Regulation of Investigatory Powers Bill

Mr. Cohen: To ask the Secretary of State for Defence if he will make a statement on his policy in respect of the use his Department, its agencies and public bodies will make of the powers relating to the authorised obtaining of communications data in Part I, Chapter II of the Regulation of Investigatory Powers Bill once the Bill is enacted. [119522]

Dr. Moonie: I refer my hon. Friend to the answer given to him on 19 April 2000, *Official Report*, column 509W, by my right hon. Friend the Secretary of State for the Home Department.

RAF Staxton Wold

Mr. Greenway: To ask the Secretary of State for Defence (1) when RAF Staxton Wold was first identified as a radar station suitable for downgrading to remote operation only; [119161]

(2) when he was first advised that RAF Staxton Wold should be downgraded to remote operation. [119162]

Mr. Spellar *[holding answer 18 April 2000]:* I understand that formal consideration of the possibility of remote operation of the radar at RAF Staxton Wold was first given during the Departmental budgetary planning process which culminated in February 1997. This option was not pursued because a wider review of the then UK Air Defence Ground Environment (UKADGE) was started during the Strategic Defence Review.

Ministers in this Administration have never been advised that the radar at RAF Staxton Wold should be downgraded to remote operation. My predecessor was, however, advised in July 1998 that it would be possible to draw down the Station to minimum manning. Since the overall review of the UKADGE (now Air Surveillance and Control System—ASACS) was still being carried out at the time, he wished to await the outcome of this work and consider any wider implications before making a decision. I wrote to the hon. Gentleman on 9 August 1999 as soon as I had taken a decision (subject to consultation) on our plans for RAF Staxton Wold.

Balkans

Mr. Hancock: To ask the Secretary of State for Defence what is the total cost so far for United Kingdom operations in *(a)* Bosnia and *(b)* Kosovo, since forces entered the region; and if he will make a statement. [119166]

Mr. Spellar: The additional expenditure incurred each year by my Department in Bosnia and Kosovo is as follows:

£ million

Year	*Bosnia*	*Kosovo*
1993–94	26.6	0
1994–95	33.9	0
1995–96	91.0	0
1996–97	247.3	0
1997–98	196.5	0
1998–99	147.1	13.9
1999–2000	c.105	c.340

Estimate

Fatal Accident, Mr. Konjic Grad

Mr. Swayne: To ask the Secretary of State for Defence what satellite photographs exist of the fatal accident that took place on 7 July 1997 involving a Foden Thompson Carmichael MWD near Mrkonjic Grad. [118431]

Dr. Moonie *[holding answer 17 April 2000]:* The Department does not have any satellite photographs of the accident. However, a number of aerial photographs exist and I am arranging for these to be placed in the Library of the House.

Relocation

Mr. Hunter: To ask the Secretary of State for Defence what relocation companies his Department uses when relocating civil servants and armed forces personnel. [119856]

Dr. Moonie: The Department uses Countrywide Mobility (HCR plc) to provide Service personnel with rented family and single accommodation in Great Britain on those occasions when there is a shortage of publicly funded accommodation. The Department uses three relocation companies, Cendant Relocation UK Ltd., Countrywide Mobility (HCR plc) and Morton Fraser Relocation to provide assistance to civil servants who have an entitlement to a move of home at public expense.

Helicopters

Mr. Martin Bell: To ask the Secretary of State for Defence (1) if he will list the causes of the uncommanded flying control movements that have been reported on Chinook aircraft since 1994; [120103]

(2) what visual flying rules applied to support helicopters in June 1994. [120102]

Mr. Spellar: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Serle's House

Mr. Oaten: To ask the Secretary of State for Defence what public access conditions have been agreed in relation to the sale of the remembrance garden at Serle's House. [119822]

Dr. Moonie *[holding answer 20 April 2000]:* At present, none.

Plutonium Transfers

Mr. Llew Smith: To ask the Secretary of State for Defence if he will list the authorities in the United States which his Department consulted in order to draft paragraph 12 on United Kingdom-United States barter arrangements for plutonium transfers, contained in the report "United Kingdom's Defence Nuclear Programme", published on 14 April. [120253]

Mr. Spellar: The US Department of Energy was consulted on this report prior to publication.

KFOR

Mr. Donald Anderson: To ask the Secretary of State for Defence what financial contribution each NATO and EU country has made to the cost of KFOR. [120087]

Mr. Spellar: My Department does not hold the information requested. The UK's costs are estimated to be £342 million for the financial year 1999–2000.

MOD Police (Sickness Absence)

Mr. Kidney: To ask the Secretary of State for Defence what was the rate of staff absences due to sickness for his Department's police for the last three years; and what assessment he has made of the rate relative to that of other public services. [120631]

Mr. Spellar: Ministry of Defence Police (MDP) sickness figures have been collected in hours since 1 April 1997 in order to give a truer measure of lost output. Since then the figures have been:

Per annum

	Average number of sickness hours per officer
1997–98	[1]113.08
1998–99	114.86
1999–2000	120.85

[1] The figures for 1997–98 includes civilian staff. The police and civilian support staff figures were collected separately only from 1 April 1998

The figures for 1998–99 and 1999–2000 are equivalent to 14.4 and 15.1 respectively days absence per officer per year. In 1998–99, the last year for which complete figures are available, the average number of working days lost to sickness per Home Department Police Officer in England and Wales was 11.7. It should be noted, however, that comparisons between forces are problematic owing to differences in methods of counting sick absence.

In recognition of the level of sick absence within the MDP, a sickness strategy was put into place early last year aimed at significantly reducing productive hours lost through sickness.

NORTHERN IRELAND

Regulation of Investigatory Powers Bill

Mr. Cohen: To ask the Secretary of State for Northern Ireland if he will make a statement on his policy in respect of the use his Department, its agencies and public bodies will make of the powers relating to the authorised obtaining of communications data in Part I, Chapter II of the Regulation of Investigatory Powers Bill once the Bill is enacted. [119521]

Mr. Ingram: I refer my hon. Friend to the answer given by the Secretary of State for the Home Department on 19 April 2000, *Official Report*, column 509W.

Asylum Seekers

Mr. Evans: To ask the Secretary of State for Northern Ireland how much his Department spent (i) directly and (ii) indirectly on asylum seekers in *(a)* 1995, *(b)* 1996, *(c)* 1997, *(d)* 1998 and *(e)* 1999; and what estimate has been made of expenditure in the year 2000. [119488]

Mr. Mandelson: The Home Office will be responding to this question on behalf of the Government as a whole, using information that we have provided to them.

RUC/Army Base (Fermanagh)

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland what the estimated repair cost is in respect of damage to the joint RUC/Army base at Annaghmartin, Roselea, County Fermanagh, as a result of the attack on 2 April. [119030]

Mr. Spellar: I have been asked to reply.

We estimate that £70,000 is the minimum amount necessary to repair the damaged base.

PRIME MINISTER

Active Aging

Ms Perham: To ask the Prime Minister when he intends to publish the report on Active Aging. [118008]

The Prime Minister: The Performance and Innovation Unit's report "Winning the Generation Game" was published on 27 April. Copies of the report have been placed in the Vote Office and the Libraries.

Cabinet Joint Consultative Committee

Mr. Gordon Prentice: To ask the Prime Minister, pursuant to the oral statement by the Secretary of State for the Home Department on 5 April 2000, *Official Report*, columns 1021–29, concerning advice to Ministers, what impact the statement will have on the availability of information about the Cabinet Joint Consultative Committee, with particular reference to the dates of future meetings; the names of those invited to participate; and the topics to be discussed. [118930]

The Prime Minister: In the passage referred to, my right hon. Friend was speaking about factual and background information which has been used, or is intended to be used, to provide an informed background to decision-taking. In particular he clarified that further amendments would be made to clause 13 to ensure that there was a significant route for the release of such information.

The Joint Consultative Committee (JCC) is a deliberative committee. It does not have a decision-making role within collective Cabinet responsibility.

The release of information relating to discussions of the JCC would be subject to the proposed exemption in Clause 34 2(b) (ii) of the Bill, if its disclosure would inhibit the free and frank exchange of views for the purposes of deliberation. It would then have to be considered, under clause 13 of the Bill, whether the public interest in disclosing the information outweighed the public interest in maintaining the exemption.

CULTURE, MEDIA AND SPORT

World Athletics Championships

Mr. Faber: To ask the Secretary of State for Culture, Media and Sport if it remains his policy that a venue suitable for staging the World Athletics Championships would require a capacity of about 60,000. [114146]

Kate Hoey *[holding answer 14 March 2000]:* My right hon. Friend does not have such a policy. UK Athletics have confirmed their key aims as being a stadium of 45,000–50,000 seats with support facilities to stage the World Athletics Championships.

Wembley Stadium

Mr. Greenway: To ask the Secretary of State for Culture, Media and Sport what assessment he made of Brent Council's policy in respect of transport infrastructure investment associated with the planned redevelopment of Wembley Stadium at the time that bids were submitted for the new National Stadium project. [119113]

Kate Hoey: None; bids for the new National Stadium project were submitted and consideration of the bids was entirely a matter for Sport England.

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport, pursuant to his answer of 24 March 2000, *Official Report*, column 708W, on Wembley Stadium, when he expects to receive confirmation from Sport England that they are happy with the appointment process in relation to the contract to build Wembley National Stadium. [119158]

Kate Hoey *[holding answer 14 April 2000]:* Sport England will not be able to confirm that they are happy with the appointment of a contractor under the terms of the Lottery funding agreement until that appointment has been made. I understand that Wembley National Stadium Ltd. is unlikely to appoint the contractor until planning permission has been secured.

Mr. Greenway: To ask the Secretary of State for Culture, Media and Sport (1) what discussions he has had with ministerial colleagues in the DETR about the desirability of new transport infrastructure projects in association with the proposed redevelopment of Wembley Stadium; [119120]

(2) what advice he has received from the Wembley Task Force about the *(a)* desirability and *(b)* cost of new transport infrastructure investment in association with the proposed redevelopment of Wembley Stadium. [119116]

Kate Hoey *[holding answer 17 April 2000]:* Neither I nor my right hon. Friend have discussed Wembley issues with DETR colleagues as this is a matter under active consideration by the Wembley Task Force. Given that the new Wembley Stadium is playing a major role in the regeneration of the Wembley Area, the Task Force has assessed the infrastructure requirements needed to support a world-class stadium, in a world-class environment, and is holding discussions with interested parties, including the London borough of Brent and Wembley National Stadium Ltd. to find ways in which a package can be put together to secure a successful development. These discussions are continuing.

No recommendations, views or proposals have been submitted by the Task Force to the Department on these infrastructure issues to date.

Mr. Greenway: To ask the Secretary of State for Culture, Media and Sport if he will place in the Library a copy of the Brent Council planning brief referred to in paragraph 13.4 of the Memorandum of Evidence provided by Sport England to the Culture, Media and Sport Committee in respect of the Committee's Fourth report of Session 1999–2000 (HC 164). [119117]

Kate Hoey *[holding answer 17 April 2000]:* I am placing a copy of the London Borough of Brent's planning brief in the House Library, today. Copies are also available at www.brent.gov.uk/wembley.

Mr. Greenway: To ask the Secretary of State for Culture, Media and Sport what advice he has received from Sport England on whether transport infrastructure investments were required as a condition of their grant of £120 million towards the redevelopment of Wembley Stadium. [119118]

Kate Hoey *[holding answer 17 April 2000]:* Sport England advises that transport infrastructure requirements were not required as a condition of the Lottery grant to Wembley National Stadium Ltd.

Mr. Greenway: To ask the Secretary of State for Culture, Media and Sport when *(a)* he and *(b)* officials in his Department were informed of the likely demand by Brent Council for a section 106 agreement for a £30 million transport infrastructure investment in connection with the granting of planning consent for the redevelopment of Wembley Stadium. [119119]

Kate Hoey *[holding answer 17 April 2000]:* The London Borough of Brent has consistently and publicly made clear its concern on transport and other infrastructure issues relating to the redevelopment of Wembley Stadium. DCMS Ministers and officials have been aware that the London Borough of Brent is seeking up to £30 million in a section 106 agreement for more than two years.

Athletics Stadium

Mr. Faber: To ask the Secretary of State for Culture, Media and Sport, pursuant to his answer of 24 March 2000, *Official Report*, column 707W, on what date copies of the brief submitted by UK Athletics were placed in the Library; and if he will make a statement. [119042]

Kate Hoey *[holding answer 14 April 2000]:* I apologise to the hon. Member that owing to an oversight within my Department copies of UK Athletics brief were placed in the Library only on 7 April.

National Lottery

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport (1) what discussions he has had with the National Lottery concerning proposals for a National Endowment Fund for Sport and the Arts using reserve lottery funds; [119664]

(2) what discussions he has had with the Lottery Promotion Company Ltd. concerning their proposal for a National Endowment Fund for Sport and the Arts; [119665]

(3) what discussions has he had with the Lottery Promotion Company Ltd. concerning their proposals for allocation of moneys held in reserve. [119666]

Kate Hoey: I met Denis Vaughan, Executive Director of the Lottery Promotion Company, on 7 October 1999, to discuss the Lottery Promotion Company's proposals for the use of Lottery funds, including the establishment of a National Endowment for Sport and the Arts. Neither I, nor the Secretary of State, have discussed these proposals with the National Lottery Commission, the National Lottery distributing bodies, or the National Lottery operator, Camelot Group plc.

Tourism

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport what recent discussions he has had with the English Tourism Council over its *(a)* inspection charge fees to small hotels and *(b)* charges made for inclusion in handbooks, directories and other advertising materials. [119719]

Janet Anderson: I have not discussed this directly, but I am aware the ETC have reviewed their pricing structure to ensure it strikes a fair balance between charges for large and small hotels. The inspection fees and other charges the ETC levies against small hotels for joining their accommodation grading scheme are operational matters for the ETC, which aims to break even and not make a profit. The hotelier receives back some of the fee when the inspector pays for an overnight stay.

The ETC's contractors and the other inspecting bodies (the AA and the RAC) now all inspect properties in England to precisely the same standards but each operates an independent inspection operation with its own scale of fees and package of benefits. It is for customers to choose the most appropriate service provider.

Sports Funding

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport how much was spent in the United Kingdom on sports provision per capita in 1999. [119724]

Kate Hoey: In the financial year 1999–2000, exchequer funding for sport in the United Kingdom, channelled through UK Sport and the four home country sports councils, totalled £69,779,000. In addition, Lottery sports funding drawn down by the five distributing bodies was £316,689,340 during this period. Using the 1998 population census, this amounts to per capita expenditure of £6.52 in 1999–2000.

Digital Broadcasting

Mr. Luff: To ask the Secretary of State for Culture, Media and Sport if he will set a target date for complete digital television coverage in England; and if he will make a statement. [119759]

Janet Anderson: The Government believe that it is possible that as early as 2006, and no later than 2010, all those who currently receive the free-to-air channels on analogue television will be able to receive those services digitally.

Turf Football Pitches

Mr. Gareth R. Thomas: To ask the Secretary of State for Culture, Media and Sport, pursuant to his answer of 17 April, *Official Report*, column 321W, what size of population each *(a)* full-size and *(b)* half-size (or 5-a-side) synthetic turf pitches is expected to serve. [119988]

Kate Hoey: Sport England's initial analysis of gaps in synthetic pitch provision is based on each pitch serving a population of 60,000, within a 20 minute drive time. No work has yet to be carried out, nor is any planned, on the demand for half sized synthetic turf pitches.

TV Licences

Mr. Bercow: To ask the Secretary of State for Culture, Media and Sport if he will examine the *(a)* practicability and *(b)* cost of collecting TV licence fees with the council tax. [119818]

Janet Anderson *[holding answer 20 April 2000]:* We have no such plans. It is not clear what benefits would accrue from collecting the licence fee locally which would outweigh the cost of establishing and running licence fee collection arrangements in each local authority area.

Mr. Willetts: To ask the Secretary of State for Culture, Media and Sport what will be the cost of establishing the free television licence scheme for people aged over 75 years; and how much it will cost to administer in the first full year of operation. [119939]

Janet Anderson *[holding answer 20 April 2000]:* We estimate that in 2000–01, the cost of the concession will be £344 million, with an additional £23.4 million in administration costs in the first year.

Mr. Salmond: To ask the Secretary of State for Culture, Media and Sport how much *(a)* in total and *(b)* in addition to currently planned expenditure it would cost in (i) the UK and (ii) Scotland to give free TV licences to households headed by someone aged over 65 years. [119983]

Janet Anderson *[holding answer 20 April 2000]:* The information requested is not immediately available. I will write to the hon. Gentleman as soon as it is available and will place a copy of the letter in the Library. However, the figure will be for the UK in its entirety as no separate figures are kept for Scotland.

Birth Certificates

Mr. Caton: To ask the Secretary of State for Culture, Media and Sport for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120324]

Mr. Chris Smith: As one of its pre-recruitment checks, my Department requires new employees to the Civil Service either on permanent or short-term contracts to provide birth certificates or similar documentary evidence for one or more of the following purposes: proof of identity, proof of eligibility under the Civil Service nationality rules and proof of age. Contractors are required to produce them only if there are questions about identity.

Locomotives

Mr. Gordon Prentice: To ask the Secretary of State for Culture, Media and Sport when locomotives based in the National Railway Museum were last out on the Colne to Preston line. [120326]

Mr. Alan Howarth: The National Railway Museum's locomotive "Green Arrow" hauled a special train over the Preston to Blackburn section of the route on 29 December 1999 en route to Carlisle via Settle.

Film Council

Mr. Ian Stewart: To ask the Secretary of State for Culture, Media and Sport when the Film Council will announce its strategy. [120792]

Mr. Chris Smith: The Film Council is today announcing its strategy for the development of film culture and the film industry in the UK. I have arranged for copies of the strategy document to be placed in the Library.

TRADE AND INDUSTRY

Minimum Wage

Mr. Matthew Taylor: To ask the Secretary of State for Trade and Industry what assessment he has made of the impact of the minimum wage on summary measures of inequality, with particular reference to the gini coefficient and Atkinson index; by what method the assessment was made; and if he will make a statement. [119826]

Mr. Alan Johnson: The Low Pay Commission looked in depth at the impact of the minimum wage on inequality and income distribution. As it says in its second report

> The impact of the national minimum wage on household incomes is complex, being affected by the way that statutory wage increases interact with the tax and benefits systems.

The issues of poverty and inequality are explored extensively in the Commission's Occasional Paper 2, published in June 1999. Overall, it found that the minimum wage, together with other tax and benefit changes, should prove a powerful tool in tackling in-work poverty.

Mr. Alexander: To ask the Secretary of State for Trade and Industry how many employers have been reported by inspectors for paying less than the national minimum wage in *(a)* Britain, *(b)* Scotland and *(c)* the relevant area of record, which includes the constituency of Paisley, South. [120394]

Mr. Alan Johnson: The number of instances of employer non-compliance identified by minimum wage officers for the year ended 31 March 2000 is as follows:

(a) 1,280 employers in the UK, including Northern Ireland

(b) 105 employers in Scotland

A more localised disaggregation of these figures is not available.

Websites

Mr. Maclennan: To ask the Secretary of State for Trade and Industry what his Department's policy is on *(a)* advertising and *(b)* acknowledging company sponsorship on the websites of his Department, agencies and non-departmental public bodies; which companies (i) have placed advertisements and (ii) are acknowledged as sponsors on those websites; how much revenue has been received for each financial year since 1997 from such advertisements and sponsorship; and if that revenue has been retained within the budget of his Department, agencies and non-departmental public bodies. [119542]

Ms Hewitt *[holding answer 19 April 2000]:* The Department of Trade and Industry's policy on advertising on websites follows the guidance in the Central IT Unit's "Framework policy and guidelines for the use, management and design of public sector websites" (published last December as part of the e-government strategy). These state:

> Government sites are permitted to carry advertising. In designing pages, departments and agencies should ensure that advertisers' branding does not detract from the effectiveness and appearance of their own branding or that of government as a whole. Particular attention should be given to avoiding any implications of endorsement of products or services or of contradiction between government messages and those of contractors.

On sponsorship, the DTI also follows Cabinet Office guidance. The same policy is applied to websites as is applied to other forms of publication. In summary, sponsorship support can be sought where there is going to be a significant net benefit to the Department, at no detriment to the public interest. Any sponsorship arrangements are dealt with in ways that are even-handed and open, and on the basis that they must not conflict with the Department's regulatory and enforcement functions or appear to endorse a particular company, product or service.

In applying these policies, a number of DTI sites have been prepared in partnership with private sector organisations in return for acknowledgement of this sponsorship on the site. In a number of cases, sites delivering the objectives of the Department are run and financed by private sector companies which are allowed to enter advertising and sponsorship arrangements with others. Compiling a comprehensive list of companies which have been involved in such arrangements to date would incur disproportionate cost.

No direct revenue has been received to date from either advertising or sponsorship.

None of the non-departmental public bodies for which the Department is responsible has accepted advertising or acknowledged sponsorship from companies on its website. I have asked the Chief Executives of the Department's agencies to write to the hon. Member separately where they have a substantive reply.

Letter from J. S. Holden to Mr. Robert Maclennan, dated 2 May 2000:

I have been asked to reply to your recently tabled Parliamentary Question to the Secretary of State for Trade and Industry in respect of Companies House Executive Agency.

(i) It is Companies House policy not to carry advertising on our web site.

(ii) Companies House web site is not sponsored.

(iii) As we have no advertisements or sponsors on our web site, I confirm we have received no revenue from this source for retention within our budgets.

Letter from Alison Brimelow to Mr. Robert Maclennan, dated 2 May 2000:

In the Patent Office, the policy is not to accept advertising or company sponsorship on The Patent Office website. No companies therefore have placed advertisements or been acknowledged as sponsors on the website, and no revenue has been received.

Letter from Peter Joyce to Mr. Robert Maclennan, dated 2 May 2000:

The Secretary of State has asked me to reply to your question about advertising and company sponsorship on The Insolvency Service web site.

The Insolvency Service does not have any advertising on or company sponsorship of its web site. This has been the case since the launch of the web site.

Letter from Ian Jones to Mr. Robert Maclennan, dated 2 May 2000:

You tabled a Parliamentary Question on 13 April 2000 to the Secretary of State for Trade and Industry concerning the policy on sponsorship, advertising and any resulting revenue, for web sites operated by the department and its executive agencies. I have been asked to reply in respect of the Employment Tribunals Service (ETS) which is an executive agency of the DTI.

The Employment Tribunals Service provides the administrative support to the Employment Tribunals and Employment Appeal Tribunals. As such, no advertising would be permitted, nor any sponsorship sought, for any site maintained or contributed to by the agency.

The agency has a small entry on the main DTI web site. The only web site directly maintained by the agency is that of the Employment Appeal Tribunal although a parallel site for the Employment Tribunals is under consideration.

I hope this information is helpful, please let me know if there is any further information that you require.

Letter from David Hendon to Mr. Robert Maclennan, dated 2 May 2000:

The Secretary of State for Trade and Industry has asked me to reply on behalf of the Radiocommunications Agency to your Parliamentary Question about advertising and company sponsorship on the RA website.

It is the policy of Radiocommunications Agency not to accept advertising or company sponsorship on its website.

No such advertisements or sponsorship have been placed on the RA website and no revenue for such services has been received by the Agency.

Letter from Seton Bennett to Mr. Robert Maclennan, dated 2 May 2000:

The Secretary of State for Trade and Industry has asked me to reply on behalf of NWML to your question regarding advertising/sponsorship on our web site.

The NWML website currently does not carry any sponsorship or advertising. The site has been set up to transfer knowledge to NWML's stakeholders-Trading Standards Officers, weighing and measuring equipment manufacturers, DTI, other customers and interested parties.

If in the future NWML was approached by a potential sponsor or advertiser, the idea would be thoroughly considered because it may provide an opportunity to raise additional revenue, however it would not be at the detriment of the quality of information provided to NWML's stakeholders.

Letter from David Irwin to Mr. Robert Maclennan, dated 2 May 2000:

I have been asked to reply in respect of the Small Business Service to your recently tabled Parliamentary Question to the Secretary of State for Trade and Industry, about advertising and sponsorship on Departmental websites.

The SBS website has no plans to allow advertising at present and no adverts have been placed on the site. The site does not carry any references to sponsorship.

The Enterprise Zone website is a gateway to business information for SMEs. It narrows down the mass of information available on the Internet to the most relevant, providing a single point of access to useful information. Launched in 1997 by the DTI and supported by Business Links, it is maintained and operated by the Dialog Corporation plc. DTI's agreement with Dialog allows the company to enter into normal, commercial arrangements with advertisers—to which the Department is not a party. The financial details of such arrangements are subject to commercial confidentiality.

Post Offices (London)

Mr. Cox: To ask the Secretary of State for Trade and Industry how many *(a)* post offices and *(b)* sub-post offices have closed in the Greater London area during the last five years. [119845]

Mr. Alan Johnson: The Post Office tell me that it does not hold historical data by region, including Greater London, for the numbers of post offices which have closed or opened.

Land Rover

Miss Kirkbride: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 14 April 2000, *Official Report*, column 288W, if discussions on the purchase of Land Rover from BMW by Ford were commercially confidential. [119843]

Mr. Alan Johnson: I made clear in my earlier reply that my right hon. Friend the Secretary of State has many contacts with companies including the Ford Motor Company. The issues discussed are often commercially sensitive and the company's requests for confidentiality respected.

Council for Science and Technology

Dr. Starkey: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 18 April 2000, *Official Report*, column 433W, about new appointments to the Council for Science and Technology, what the gender balance is on the new council and whether the gender balance of the expanded council is in line with Government targets for the representation of women on public bodies; how many women candidates *(a)* were considered for appointment to the Council and *(b)* met the criteria for appointment to the council; what steps his Department took to increase the pool of women candidates for appointment to the council; when he will next have an opportunity to improve the gender balance on the council; what steps he is taking in other parts of the scientific advisory system to compensate for the low representation of women on the Council for Science and Technology; and what consultation he has had with the Minister for Women on ways to increase women's participation in his Department's scientific advisory system. [120305]

Mr. Byers: Of the 16 independent members of the Council for Science and Technology, three are women (19 per cent.).

Of the 23 candidates considered for appointment to the Council during the most recent round, five were women, two of whom subsequently decided not to pursue their candidacy.

In identifying these candidates and making the appointments, my Department complied with the guidance of the Commissioner for Public Appointments. We canvassed widely, both internally among other Government Departments and externally among such organisations as the CBI, IoD, TUC, the CVCP, the Research Councils and the Higher Education Funding Councils. Nominations from existing members of the Council were also sought.

The next round of appointments to the Council is due to commence in September 2000, when we will continue to seek to increase the proportion of women on the Council, in accordance with my Department's published goal of reaching 33 per cent. representations of women by 2002 in making appointments to our non-departmental public bodies.

Companies House

Ms Julie Morgan: To ask the Secretary of State for Trade and Industry what guidance he has given to *(a)* Government agencies and *(b)* Companies House about the hospitality managers may accept from companies with which they are outsourcing contracts. [120190]

Dr. Howells: The guidance contained within the Department's Procurement Manual which is available to DTI Agencies including Companies House, sets out advice regarding gifts and hospitality in respect of dealings with contractors. A copy of the Manual is in the Library of the House.

Ms Julie Morgan: To ask the Secretary of State for Trade and Industry what evaluation he has made of Capita's performance in Companies House, Cardiff. [120212]

Dr. Howells: Evaluation of Capita's performance is carried out systematically against a range of service levels and targefs defined in the contract under which they provide telephone inquiry and search services on behalf of Companies House.

Export Licences

Mr. Berry: To ask the Secretary of State for Trade and Industry what changes have been made in the last three years to the guidelines on end-use assurance required for companies and individuals applying for single individual export licences for strategic goods. [120205]

Dr. Howells: There have been some amendments made to the guidelines on end-use assurance in the last three years with regard to information requirements for certain chemicals listed in Schedules to the Chemical Weapons Convention. Other changes have been ones of format rather than substance.

Mr. Berry: To ask the Secretary of State for Trade and Industry if Export Control Organisation guidelines detailing end-use assurance required for export licence applications apply to open individual export licences for strategic goods. [120203]

Dr. Howells: The end-use assurance requirements for an open individual export licence are included in the conditions of such a licence. Guidance is provided for compliance with these conditions.

Disabled People (New Technologies)

Dr. Cable: To ask the Secretary of State for Trade and Industry what plans he has to draw upon the experience of internet companies in providing disabled people with *(a)* access to and *(b)* training in, new technologies. [120197]

Ms Hewitt: As a response to the Social Exclusion Unit's 1998 report, the Prime Minister set up a series of high level action teams to devise a new national strategy for neighbourhood renewal. Policy Action Team 15 (PAT15), which was led by DTI, looked at how information and communication technologies (ICTs) can help.

PAT15's main task was to improve the access to and uptake of ICTs by the most disadvantaged in society. It carried out an in-depth study of projects already operating in poor neighbourhoods to identify best practice which may be replicable elsewhere. It also commissioned papers to examine how issues associated with disability can be addressed. The consultation process included input from the private sector, particularly through representatives from ICT companies working as PAT members.

Their report indicates that public access facilities, the training provided and the content used should take into account the needs of different audiences, including people with disabilities. The recommendations from the report are being taken forward by the DfEE. The final report is available on the PAT15 website (www.PAT15.org.uk).

Much work, however, is already under way. £252 million of Capital Modernisation Funding (CMF) has been promised to set up around 700 ICT learning centres within the 2000 most deprived council wards and other areas with special needs, such as isolated rural areas. These centres will be set up from September 2000, to provide hands on learning for people for example with disabilities or from ethnic backgrounds with little or no ICT skills or access to ICT. They will provide a local place for local people and will give people the opportunity to gain ICT skills.

The development of this initiative has included input from the private sector through externally commissioned work or through representatives of ICT companies sitting on the project's management board.

More details about the initiative can be found on the ICT Learning Centres website on www.dfee.gov.uk/ict-learning-centres.

Social Exclusion (Internet)

Dr. Cable: To ask the Secretary of State for Trade and Industry what initiatives he will implement to encourage internet businesses to assist in tackling the problems of deprived areas. [120198]

Ms Hewitt: Following the Social Exclusion Unit's (SEU) 1998 report on deprived neighbourhoods, 18 high level action teams were set up to help devise a new national strategy for neighbourhood renewal. Their main conclusions have now been drawn together in a framework document for consultation (available on the SEU's website: www.cabinet-office.gov.uk/seu).

The report identifies that business has a crucial role and much to contribute in helping to turn around deprived neighbourhoods. It also points out that businesses need recognition and encouragement to become actively involved in projects which aim, for example, to raise education standards, improve health, tackle crime, and help to build communities in deprived areas. The Government are keen to see an increase in the number and range of businesses, including internet businesses, which are actively engaged in addressing the problems of deprived neighbourhoods. The consultation paper seeks views on what the Government could do to encourage business engagement in the community.

There are, however, a number of initiatives already under way. In particular, the DTI has:

Established a Ministerial Champion for Corporate Social Responsibility, to improve Whitehall understanding of what this means and how it can best work. This role has been added to the portfolio of the Minister for Consumer and Corporate Affairs in DTI;

Sponsored the Business in The Community Examples of Excellence Awards, which highlight outstanding achievements in the field of CSR;

Sponsored a project on 'Innovation Through Partnership'. This project will analyse how through engagement in partnerships with the voluntary and public sector, businesses can become more innovative organisations;

Undertaken a project to identify the benefits to businesses from forming a relationship with a local school or college; and

Examined the intangible assets of business including the role of ethics in contributing to value creation in companies of all sizes;

Committed itself to providing enhanced business support for the disadvantaged through the Small Business Service; the Business Volunteer Mentors Association; and the Community Finance Initiative Challenge.

Working with Business in the Community's 'community' programme to engage business in supporting the community's use of information and communication technologies (ICTs).

Ilisu Dam

Dr. Tonge: To ask the Secretary of State for Trade and Industry if he will make a statement on progress made on the full environmental impact assessment report for the Ilisu Dam. [120264]

Mr. Caborn: Work is proceeding on the Environmental Impact Assessment Report; however the Report is now not expected to be complete until July 2000 at the earliest. The overall project timetable is similarly delayed.

Dr. Tonge: To ask the Secretary of State for Trade and Industry what recent discussions he has had with the Turkish Government concerning consultations with those directly affected by the Ilisu Dam. [120265]

Mr. Caborn: While I have had no direct contact with the Turkish Government concerning the consultations, I understand that consultations are on-going with those who are affected by the Ilisu Dam and that detailed surveys of the local population are to take place.

Dr. Tonge: To ask the Secretary of State for Trade and Industry what recent discussions he has had with Balfour Beatty concerning the provision of export credit for the Ilisu Dam. [120272]

Mr. Caborn: I have had no discussions, although my officials do continue to discuss details of the case with Balfour Beatty and the other interested Export Credit Agencies concerning the provision of export credit for the Ilisu Dam. No decision has been taken regarding the availability of ECGD support for this project.

Regional Assistance

Judy Mallaber: To ask the Secretary of State for Trade and Industry how many applications have been submitted in each of the years since 1993 to date for *(a)* regional selective assistance and *(b)* enterprise grant in each region; and how many have been successful. [120653]

Mr. Caborn: This information is published in the Industrial Development Act 1982, Annual Report, copies of which are available in the Library of the House.

Employment Tribunals

Mr. Jon Owen Jones: To ask the Secretary of State for Trade and Industry how many *(a)* women and *(b)* black people applied to be lay advisers in the last round of appointments for the employment tribunals in England and Wales; and how many of those in (i) and (ii) applied to serve on the Cardiff tribunal. [120374]

Mr. Alan Johnson: In the 1999 exercise to recruit new lay members to the employment tribunals in Great Britain, applications were received from 3,728 women and 336 people who described their ethnic origin as black-African or black-Caribbean. No separate figures are available for England and Wales. There were 85 women and three black-African or black-Caribbean applicants to serve on the Cardiff employment tribunal.

Mr. Jon Owen Jones: To ask the Secretary of State for Trade and Industry how many *(a)* women and *(b)* black people serve on employment tribunals in England and Wales; and how many serve on Cardiff tribunals. [120373]

Mr. Alan Johnson: 644 women and 51 people who describe their ethnic origin as black-African or black-Caribbean serve on the employment tribunals in England and Wales. 43 women and one black-African/black-Caribbean serve at the Cardiff employment tribunal.

P. W. Allen and Company

Mr. Robertson: To ask the Secretary of State for Trade and Industry when he will make a decision on whether to allow Export Licence Application QX 96/00 to P. W. Allen and Company in Tewkesbury. [120614]

Dr. Howells: Export licence application QX 96/00 has been approved, and the licence was issued on 20 April 2000.

Milk Marque

Mr. Ruane: To ask the Secretary of State for Trade and Industry what assessment he has made of the prospects for vertical integration available for the three organisations that replaced Milk Marque. [120327]

Mr. Byers: Following the voluntary decision by the members of Milk Marque to break up into three independent successors, I asked the Director General of Fair Trading (DGFT) to monitor the operation of the market this winter, and report his conclusions by Easter.

That advice has now been received. The DGFT has advised that Milk Link, Axis and Zenith, the three successors to Milk Marque, have been operating independent arrangements for the marketing and selling of their members' milk this winter.

I can announce today that, on the basis that the assurances given last year of independent operation will continue to be observed, I can see no reason why Milk Link, Axis and Zenith should not establish or extend their processing activities if they choose to do so.

The assurances given were that all policy making and selling of milk would be carried out independently by each of the successors with no joint ventures between the new businesses in marketing or processing milk, with no common directors and no shareholdings by any one of the new businesses in either of the others. Milk Marque also stated that they would not supply to the successor bodies, after 31 March 2001, central services which could not be split prior to the reorganisation which took place last year. Should the new businesses choose to extend their processing activities through acquisition they will of course be subject to the merger provisions under competition law in the same way as any other company. In addition, Milk Link, Axis and Zenith must, like all undertakings, operate their businesses in accordance with both domestic and European competition law.

Gordon and Innes Ltd.

Mr. Salmond: To ask the Secretary of State for Trade and Industry when the financial accounts for Gordon and Innes Ltd. of Huntly, Aberdeenshire were due for filing; and if they have been received. [120647]

Dr. Howells: The accounts due to 31 October 1998 for Gordon and Innes Ltd., now registered at 8 West Street, Fochabers, IV32 7DJ, were due to be filed by 30 November 1999, but to date they have not been received.

The company has been reminded of its obligations to file its accounts and the consequences if they are not received.

Sudan

Dr. Tonge: To ask the Secretary of State for Trade and Industry what recent discussions he has had with BP Amoco concerning its investment with Talisman Energy and the China National Petroleum Corporation operating in Sudan. [120269]

Mr. Caborn: My right hon. Friend the Secretary of State for Trade and Industry has not had the opportunity to meet with BP Amoco to discuss their investment with Talisman Energy and the China National Petroleum Corporation operating in Sudan.

Dr. Tonge: To ask the Secretary of State for Trade and Industry what recent discussions he has had with *(a)* Weir Pumps of Glasgow, *(b)* Allen Power Engineering of Bradford and *(c)* Angus Fire of Oxfordshire concerning the manufacturing of parts for oil exploration in Sudan. [120268]

Mr. Caborn: My right hon. Friend the Secretary of State for Trade and Industry has not had the opportunity to meet any of the aforementioned companies to discuss the oil industry in Sudan.

My Department, in conjunction with our colleagues at the Foreign and Commonwealth Office, have offered, and will continue to offer, full and frank advice to British companies who are interested in the oil industry in Sudan.

Internet

Mrs. Ray Michie: To ask the Secretary of State for Trade and Industry what plans he has to protect the names of cities, towns, villages and private houses from being registered as Internet domain names by commercial organisations for trading purposes without permission of the legitimate bearers; and if he will make a statement. [120263]

Ms Hewitt: Domain Names in the UK are managed by Nominet UK, an independent not-for-profit body. The Government are discussing with Nominet the way forward on this issue. Nominet is consulting with the Scottish Parliament on this subject, and will shortly be consulting with other regional bodies. Civic organisations and other non-profit groups who wish to register domain names incorporating place names should be able to do so in the org.uk Second Level Domain. They can do this by contacting an Internet Service Provider or if necessary they can contact Nominet directly at www.nominet.org.uk.

TREASURY

Tax System

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer what *(a)* initiatives relating to and *(b)* reviews of, the tax system he has launched since May 1997; on what dates each (i) was completed and (ii) is expected to be completed; and if he will make a statement. [118857]

Dawn Primarolo *[holding answer 17 April 2000]:* The information has been placed in the Library.

Cancer Statistics

Dr. Tonge: To ask the Chancellor of the Exchequer if he will *(a)* list and *(b)* make a statement on the incidence of and death rates from (i) cervical cancer, (ii) breast cancer, (iii) prostate cancer and (iv) testicular cancer in each of the last three years in each health authority. [119728]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Alan Goldsmith to Dr. Jenny Tonge, dated 2 May 2000:

The Director for the Office for National Statistics (ONS) has been asked to reply to your recent question asking for a statement and list of death rates for (a) cervical, (b) female breast, (c) prostate and (d) testicular cancer by health authority for the three latest years available. I am replying in the Director's absence.

The data relates to all the 99 health authorities in England, the tables are very large and so will not appear in the Official Report. I will arrange for a copy to be made available in the House of Commons Library.

Personal Services Companies

Sir Brian Mawhinney: To ask the Chancellor of the Exchequer what factors account for the change from the initial estimate of annual forecast revenue receipts from IR35. [120329]

Dawn Primarolo: I refer the right hon. Member to the answer I gave to the hon. Member for Croydon, South (Mr. Ottaway) on 5 April 2000, *Official Report*, column 494W.

Mr. Paul Marsden: To ask the Chancellor of the Exchequer what estimate he has made of the additional amount of tax that will be collected in each of the next three years as a result of the introduction of IR35; and if he will make a statement. [120366]

Dawn Primarolo: The estimate of extra tax and National Insurance Contributions generated from the pre-announced measure to tackle avoidance through the use of personal service companies is provided in Table A2.1 of the March 2000 "Financial Statement and Budget Report".

Mr. Paul Marsden: To ask the Chancellor of the Exchequer if he will make a statement on the development of a database of small businesses who breach IR35 rules. [120365]

Dawn Primarolo: We expect intermediaries involved in contracts affected by the legislation to comply with the rules, and the Inland Revenue will provide information and support to enable them to do so. Those who do not will be identified and reviewed by Inland Revenue compliance officers using existing compliance methods.

A separate database of intermediaries who breach the rules will not be needed.

Double Taxation Relief

Mr. Jack: To ask the Chancellor of the Exchequer (1) if he will publish details of the methodology used by the Inland Revenue to calculate the increase in tax yield that will result from the proposed changes in tax legislation as it affects offshore mixer companies; [120291]

(2) if he will publish details of the calculations undertaken by the Inland Revenue to determine the level of tax yield arising from his proposals in the Finance Bill dealing with controlled foreign companies and tax mixing arrangements. [120290]

Dawn Primarolo: The expected yield from these changes as set out in Table A.13 of the 2000 "Financial Statement and Budget Report" is based on accepted methodology used by all Governments.

Mr. Jack: To ask the Chancellor of the Exchequer if he will make a statement on the feasibility of tax mixing onshore. [120288]

Dawn Primarolo: The issues concerning a system of onshore pooling were fully discussed in the paper "Double taxation relief for companies" published by the Inland Revenue in March 1999.

Mr. Jack: To ask the Chancellor of the Exchequer which G7 and OECD countries allow tax mixing to take place. [120285]

Dawn Primarolo: Just as overall tax systems vary from country to country, so do their respective mechanisms for relieving double taxation. It is not likely that any two countries will have double taxation relief systems that are identical. Direct comparisons are therefore of limited value and can be misleading.

Unfair Tax Competition

Mr. Redwood: To ask the Chancellor of the Exchequer what the policy of *(a)* the Government and *(b)* the European Commission is on the level of (i) income tax and (ii) corporation tax which should be treated as constituting unfair tax competition. [120359]

Dawn Primarolo: General rates of corporation tax and income tax do not constitute unfair tax competition.

Family Benefits

Mr. Field: To ask the Chancellor of the Exchequer, pursuant to his answer of 3 April 2000, *Official Report*, column 340W, on family benefits, how many of those families claiming working families tax credit in each month since its introduction would have been entitled to family credit. [120617]

Dawn Primarolo: I refer my right hon. Friend to the answer I gave him on 19 April 2000, *Official Report*, column 580W.

VAT

Mr. Redwood: To ask the Chancellor of the Exchequer what the Government's policy is on the proposal for VAT to become an EU levied tax. [120356]

Dawn Primarolo: In July 1996 the Commission published a programme for creating a common system for EC VAT. The Government see no case for VAT reform along those lines, and such a system could not be agreed without the UK's consent.

Insurance

Dr. Cable: To ask the Chancellor of the Exchequer what plans he has to *(a)* repeal and *(b)* amend the Industrial Assurance Act 1923. [120211]

Miss Melanie Johnson: I refer the hon. Gentlemen to the answer given by the Financial Secretary to the Treasury to my hon. Friend the Member for Newcastle upon Tyne, Central (Mr. Cousins) on 18 April 2000, *Official Report*, column 438W.

Small Hotels (VAT)

Mr. Fearn: To ask the Chancellor of the Exchequer what assessment he has made of the advantages and disadvantages of introducing a graduated VAT threshold for small hotels. [120627]

Dawn Primarolo: Customs and Excise has been working with small businesses and representative bodies, including representatives of the tourist industry, to explore ways to ease the impact of VAT for all small businesses once their turnover reaches the VAT registration threshold, including graduated VAT relief.

Family Statistics

Mr. Gerald Howarth: To ask the Chancellor of the Exchequer what is the life expectancy of someone whose parents have *(a)* been divorced and *(b)* remained married. [120668]

Miss Melanie Johnson: The information requested is not available.

Retired People

Mrs. Lait: To ask the Chancellor of the Exchequer what percentage of people retiring in *(a)* 1985, *(b)* 1990, *(c)* 1995, *(d)* 1996 *(e)* 1997, *(f)* 1998 and *(g)* 1999 have taken a tax-free lump sum from (i) defined contribution schemes and (ii) defined benefit schemes; and how much tax revenue was forgone as a result. [120361]

Miss Melanie Johnson: The information requested is not available.

Child Support

Mr. Woolas: To ask the Chancellor of the Exchequer what plans he has to include CSA payments in calculating eligibility for working families tax credit. [120656]

Dawn Primarolo: Maintenance payments, claimed through the CSA, are not currently included in calculating eligibility for the Working Families Tax Credit. There are no plans at present to alter this treatment.

Tax Law Rewrite Project

Mrs. Lawrence: To ask the Chancellor of the Exchequer what further progress has been made on the Tax Law Rewrite project. [120795]

Dawn Primarolo: I am pleased to be able to tell the House that the Tax Law Rewrite project is continuing to make very good progress. The Inland Revenue have today published the project's tenth Exposure Draft, containing draft rewritten clauses on trading income of individuals. Copies of the Exposure Draft will be placed in the Libraries of the House.

Climate Change Levy

Dr. Starkey: To ask the Chancellor of the Exchequer what is the estimated cost of extending the 80 per cent. discount on the climate change levy to horticulture for the financial year 2001–02. [119916]

Mr. Timms: The 80 per cent. discount on the climate change levy is available only to sectors covered by the Integrated Pollution Prevention and Control Directive (IPPC) who enter into negotiated agreements to deliver additional improvements in energy efficiency. This reflects the additional regulatory burden on such firms, who must implement all cost-effective energy saving measures in order to qualify for a discount.

The horticulture industry is not covered by IPPC and is therefore not eligible for the 80 per cent. discount. Nevertheless, the Government recognise the unique position of horticulture as an energy intensive sector exposed to international competition, and where there is scope for energy savings to be made.

The Government therefore intend to give a package of support from the £50 million 'energy efficiency' fund to improve the sector's energy efficiency, and have included thermal screens, which are used in glasshouses, in the list of technologies eligible for the enhanced capital allowance. And the Government intend to offer a temporary 50 per cent. discount to protect the competitiveness or horticulture firms while these energy efficiency measures take effect.

Final decisions on the exact design of the package of support to horticulture have yet to be taken. It is therefore not possible to quantify exactly the cost of the package.

Mr. Jack: To ask the Chancellor of the Exchequer if he will place in the Library the economic impact studies which he has conducted on the climate change levy. [120287]

Mr. Timms: Copies of the Regulatory Impact Assessment of the climate change levy are available in the Library.

Mr. Welsh: To ask the Chancellor of the Exchequer what estimate he has made of the cost to local authorities of the climate change levy with particular reference to *(a)* street lighting, *(b)* leisure services and *(c)* housing; and what support he plans to make available to local authorities to meet such costs. [120630]

Mr. Timms: The Government believe that all sectors of the economy must play their part in helping meet the UK's targets for reducing greenhouse gas emissions.

It is not possible to say with precision what the effects of the climate change levy on local authority services will be since that will depend on, among other things, future energy use in this sector. However, local authorities will be overall net gainers from the climate change levy package, since they will gain more from the associated cut in employer NICs than they will pay in climate change levy.

Public Bodies (Overpayments)

Mr. Robertson: To ask the Chancellor of the Exchequer if he will assess the practicability of introducing a 90-day limitation period for the recovery of overpaid sums by public bodies. [120353]

Mr. Timms: We have no plans to review the current rules on recovery of overpayments. The rules are designed to protect the public purse while also ensuring that the recipients of overpayments are treated fairly.

SOCIAL SECURITY

Fraud Savings

Mr. Field: To ask the Secretary of State for Social Security, pursuant to his answer of 7 April 2000, *Official Report*, column 627W, on fraud, if he will list *(a)* the cost and duration of each initiative since 1 May 1997, *(b)* estimate the contribution in fraud savings each initiative has made and *(c)* estimate the fraud savings for each of the last three years for each benefit affected by such initiatives. [119216]

Mr. Rooker: The information is in the table. I refer my right hon. Friend to the written answer on savings I gave on 7 April 2000, *Official Report*, column 627W.

Initiatives started on or after May 1997—Benefits Agency (BA)

Initiative/project	*Cost (£ million)*	*Start date*	*End date*
AQLAD (ABR/QST)	0.2	April 1999	Continuing
ABR	16.24	September 1997	Continuing
BA/CSA	1.6	1997	Continuing
BA/LA Liaison	1.0	1997	Continuing
Card Fraud Investigation	0.04	1997	February 1999—Cancellation of the payment by card process
Child Benefit Initiatives	2.4	1997	Continuing

Initiatives started on or after May 1997—Benefits Agency (BA)

Initiative/project	*Cost (£ million)*	*Start date*	*End date*
Closer Working with East of Scotland	0.1	April 1999	Continuing
FAMC London Project	0.23	1997	October 1999—Migrated to IR
Habitual Residency Test	0.3	July 1999	November 1999—Recommendation for full implementation across the Agency
Housing Benefit Matching Service	2.35	1997	April 1999—Now part of BA core
IS/JSA Premiums	0.04	July 1999	Continuing
JSA Initiatives	0.02	April 1999	Fixes implemented
NCA/TR Central Team costs	2.5	1997	April 1999—Now a core activity
NCA/TR Training	0.4	1997	April 1999—Now a core activity
Operation Rattle	0.18	1997	Continuing—As a Child Benefit initiative
Overpayment of Legal Aid	0.22	September 1999	Continuing
Potential Debt	0.11	1997	August 1999—Continuing as the Strategic Debt solution
PPE measurement	0.79	1997	April 1999—Contributed to the performance indicators
Production of regs 113 by electronic media	0.02	July 1999	Continuing
Professionalism in Security	2.88	July 1998	Continuing
Programme Expenditure Analysis	0.16	April 1999	Continuing
Risk management	1.46	1997	Continuing
RMS	0.42	1997	31 March 1998—Now part of core
SAST	0.10	1997	Continuing
Search by address enhancements	0.13	1997	Continuing
Securing Family Credit	1.23	1997	October 1999—Migrated to IR
Security Projects Group	0.27	1997	April 1999—Transferred into core MIDAS function
Social Fund—off Benefit recovery	0.22	August 1999	Continuing
Chilterns Secure Payments Initiative	0.74	May 1997	Continuing
National Fraud database	0.30	June 1999	Continuing
Gateways	0.52	Oct 1998	March 2000—Migration papers under development
Payroll Cleanse	0.82	April 1998	April 2000—Migrated into core
Customer Account Security (Operational)	0.85	October 1998	Continuing
Construction Industry Scheme	0.36	May 1998	March 2000—Migrated into core
National Intelligence Unit	0.51	October 1998	Continuing
Controlled Risk Self Assessment	0.06	April 1999	March 2000—Now operating Certificate of Conformance
Fraud and Security Strategy	1.5	April 1999	Continuing
LA Verification Framework	34.50	March 1998	Continuing
Weekly Benefit savings	0.002	12 January 2000	Continuing
Electronic Transfer of Data	0.83	August 1999	Continuing
Remote Access Terminals	7.00	August 1998	Continuing
LA Prosecution Pilot, England and Wales	0.04	November 1998	Continuing
Scampion	0.09	February 1999	Continuing
National Housing Benefit Accuracy Review	2.0	April 1997	October 1998—Findings published by GSS
Large Scale Local Review project	2.0	April 1997	Continuing

Child Support Agency

Ms Oona King: To ask the Secretary of State for Social Security what budget the CSA allocates towards welfare assessment; in which of the last six years there has been an underspend; and how much. [119570]

Angela Eagle: The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend.

Letter from Mrs. Faith Boardman to Ms Oona King, dated 2 May 2000:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about the Child Support Agency.

You ask about the Agency's budget allocation towards welfare assessments and I have taken the term 'welfare assessment' to mean child maintenance assessments. Unfortunately the information you require is not available.

The main role of the Agency is the accurate assessment and collection of child support maintenance and we aim to do this in the most efficient and cost effective way and to ensure that children receive the financial support to which they are entitled.

The Agency is funded on outputs that reflect our targets and focus on customer service. The Secretary of State requires the Agency to live within its allocation of cash resources and this has been achieved. In addition, over the past three years the Agency has improved overall efficiency by 48 per cent. and expects to exceed this figure by 1999–2000.

I hope this is helpful.

Mr. Gerald Howarth: To ask the Secretary of State for Social Security what was the cost of running the Child Support Agency in each year since its establishment; and how much money was recovered in each year from absent parents. [119765]

Angela Eagle: The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to the hon. Member.

Letter from Mrs. Faith Boardman to Mr. Gerald Howarth, dated 2 May 2000:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about the Child Support Agency.

You asked for details of the cost of running the CSA since its establishment. Details of running cost expenditure are summarised in the attached annex. These figures are based on the Appropriation Account for the Administration and Miscellaneous Services Vote (Vote 3) for each year.

You also asked for details of maintenance recovered in each year from non-resident parents. Details of the amount of maintenance collected and arranged are also summarised in the annex. These figures take into account maintenance collected from non-resident

parents and maintenance assessed by the Agency but paid directly by the non-resident parent to the parent with care. You will see that we have been unable to provide figures for 1993/94 and 1994/95. This was because in those years the focus of the Secretary of State's targets was upon annual benefit savings and the total amount of maintenance collected and arranged was not then a target.

CSA running costs (from inception)

£ million

Financial year	*Gross amount*	*Net of VAT*	*Collected and arranged*
1993–94	104	—	—
1994–95	169	—	—
1995–96	180	—	301
1996–97	205	203	400
1997–98	209	208	574
1998–99	201	—	661

Notes:

1. All figures include an element for repayment to DHSS Northern Ireland in respect of Belfast CSAC.
2. Figures for 1996–97 and 1997–98—in accordance with HM Treasury instructions information was reported in the Appropriation Account net of VAT but for information both gross (which compare year on year) and net figures have been provided.

Civil Servants (Relocation)

Mr. Hunter: To ask the Secretary of State for Social Security which relocation companies his Department uses when relocating civil servants. [119857]

Mr. Rooker: This Department has, since June 1998, had a three year contract with Cendant Relocation UK Limited to provide a homesale service to employees. When a transfer attracting relocation expenses has been agreed it is the officer's decision to use the homesale service or try to sell their properties themselves.

Inter-ministerial Group on Countering Fraud

Mr. Field: To ask the Secretary of State for Social Security, pursuant to his answer to the hon. Member for Crosby (Mrs. Curtis-Thomas) of 17 April 2000, *Official Report*, column 403W, on the Inter-ministerial Group for Older People, if he will publish the same information for the Inter-ministerial Group on Countering Fraud. [120243]

Mr. Rooker: The membership of the Inter-Ministerial Group on Welfare Fraud is as follows:

The right hon. Jeff Rooker—Minister of State, Department of Social Security

Nick Raynsford—Minister of State, Department of Environment, Transport and the Regions

The right hon. Tessa Jowell—Minister of State, Department for Education and Employment

The right hon. Richard Caborn—Minister of State, Department for Trade and Industry

Mike O'Brien—Parliamentary Under-Secretary of State for the Home Department

Lord Hunt—Parliamentary Under-Secretary of State for Health

David Lock—Parliamentary Secretary, Lord Chancellor's Department

Dawn Primarolo—Paymaster General, Her Majesty's Treasury

Brian Wilson—Minister of State, Scotland Office

David Hanson—Parliamentary Under-Secretary of State for Wales.

The Group's remit was set out in the Green Paper "Beating fraud is everyone's business" published in July 1998.

We do not routinely reveal dates of meetings or the content of discussion between groups of Ministers as this could inhibit the necessary free and frank exchange of views within Government. However, we will do so where such an exchange of views would not be inhibited.

I refer my right hon. Friend to my Written Answer on 17 April 2000, *Official Report*, columns 403–04W.

Housing Benefit

Mr. Salmond: To ask the Secretary of State for Social Security what the cost would be of increasing the earnings disregard for people in work claiming housing benefit by *(a)* 10 per cent., *(b)* 15 per cent. and *(c)* 20 per cent. in (i) Scotland and (ii) the UK. [119979]

Angela Eagle *[holding answer 20 April 2000]:* The information is not available in the format requested. Such information as is available is in the table.

Cost in 2000–01 of increasing the earnings disregard for people in work claiming Housing Benefit by 10 per cent., 15 per cent. and 20 per cent. in Scotland and Great Britain

£ million

Per cent.	*Scotland*	*Great Britain*
10	2	18
15	3	27
20	3	37

Notes:

1. Based on the 1997–98 Family Resources Survey and Housing Benefit Administrative data for May 1998.
2. The figures are rounded to the nearest £1 million. The level of rounding reflects the fact that some of the figures are based on small samples and may be subject to a high degree of variability.
3. The Family Resources Survey only covers households in Great Britain, so figures which include Northern Ireland cannot be provided.

Birth Certificates

Mr. Caton: To ask the Secretary of State for Social Security for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120313]

Mr. Rooker: This Department and its Agencies require new employees to provide proof of identity and their date of birth, and the provision of their birth certificate is one means of doing this. However, a birth certificate is only required in the absence of other documentation, usually a passport. The Department and its executive Agencies do not ask for birth certificates from contractors or from those seeking a contract.

The Benefits Agency does not insist on seeing birth certificates of new claimants of Social Security benefits to verify their identity, except when they are claiming certain benefits such as Retirement Pensions and Child Benefit. For other Social Security benefits, other forms of documentation are also acceptable.

The Child Support Agency will ask for sight of a qualifying child's birth certificate where there is a paternity dispute to establish whether or not the non-resident parent is shown on the birth certificate. It is

unlikely for the Agency to request a birth certificate in any other circumstances, as the dates of birth for qualifying children are verified for the purposes of Child Benefit.

Benefit Payments

Mr. Dobbin: To ask the Secretary of State for Social Security how many recipients of benefits have them paid *(a)* into a bank account and *(b)* through the Post Office. [120098]

Mr. Rooker: As at November 1999, 9.1 million (about 36 per cent.) of all benefit recipients were receiving payment directly into a bank account, and 16.1 million (around 63 per cent.) were collecting payment by order book or girocheque at the post office. The remaining 1 per cent. was paid by other methods of payment into banks, for example, payable orders and a small proportion of girocheques paid into bank accounts.

Inter-Ministerial Groups

Mr. Field: To ask the Secretary of State for Social Security if he will list the names of those Inter-Ministerial Groups whose *(a)* membership and *(b)* dates of meetings have been withheld in response to parliamentary questions. [120241]

Mr. Rooker: Social Security Ministers chair two Inter-Ministerial Groups; the Inter-Ministerial Group on Older People and the Inter-Ministerial Group on Welfare Fraud. The membership and remit of both these groups are in the public arena.

We do not routinely reveal dates of meetings or the content of discussion between groups of Ministers as this could inhibit the necessary free and frank exchange of views within Government. However, we will do so where such an exchange of views would not be inhibited.

Pensions

Mr. Field: To ask the Secretary of State for Social Security what is the *(a)* number and *(b)* proportion of pensioners who at the point of retirement had weekly income from pensions and other sources greater than their basic state retirement pension (i) 30 years ago, (ii) 25 years ago, (iii) 20 years ago, (iv) 15 years ago, (v) 10 years ago, (vi) five years ago and (vii) at the point when the latest available data were collected. [120240]

Mr. Rooker: I regret the information is not available.

Mr. Coaker: To ask the Secretary of State for Social Security what recommendations have been made by the Retirement Income Working Party; and if he will make a statement. [120202]

Mr. Rooker: The Retirement Income Working Party is an independent body and has no links with Government. We welcome this report and are studying its recommendations. We understand that both full and summary versions of this report are available on the internet at www.bbk.ac.uk/res/pi/reports.

Mr. Coaker: To ask the Secretary of State for Social Security what advice he is giving to people who have no record of a phone-call made reassuring them about future SERPs entitlement in respect of the compensation scheme. [120127]

Mr. Rooker: As our right hon. Friend the Secretary of State said in his statement to the House on the 15 March, we shall put before the House full details of the inherited SERPS scheme, including what information we will require from those wishing to claim and the procedures that will be followed to scrutinise those claims.

We fully accept the report of the Parliamentary Commissioner for Public Administration into inherited SERPS, which concludes at paragraph 32 that the burden of proof in the scheme rests on this Department.

Mr. Salmond: To ask the Secretary of State for Social Security how much it will cost in *(a)* the UK and *(b)* Scotland to increase the basic state pension for the (i) over 70s and (ii) over 80s by (1) £2, (2) £3, (3) £4, (4) £5 and (5) £10 a week. [119970]

Mr. Rooker *[holding answer 20 April 2000]:* The information is not available in the format requested. Such information as is available is in the table.

Estimates for Great Britain and Scotland

£ million

Annual cost of increasing basic state pension	*Great Britain*		*Scotland*	
	Over 70s	*Over 80s*	*Over 70s*	*Over 80s*
£2				
Gross	650	250	50	[1]—
Net	500	150	—	—
£3				
Gross	1,000	350	100	50
Net	700	250	—	—
£4				
Gross	1,300	500	100	50
Net	1,000	300	—	—
£5				
Gross	1,600	600	150	50
Net	1,200	400	—	—
£10				
Gross	3,250	1,200	250	100
Net	2,400	800	—	—

[1] Indicates less than £25 million.

Notes:

1. Costs are rounded to the nearest £50 million and are at 2000–01 benefit rates
2. Costs do not include other benefits whose rates are linked to the rate of basic Retirement Pension
3. Gross costs are estimated by the Government Actuary's Department. Costs net of means-tested benefit savings have been estimated using the Policy Simulation Model
4. Net costs are not available for Scotland

Fiona Mactaggart: To ask the Secretary of State for Social Security (1) how many pensioners in the last three financial years have switched from weekly cash payments to four-weekly automated credit transfer; and what assessment has been made of the amount that has been saved in administrative costs as a result; [120195]

(2) what was the average annual cost of administering the payment of retirement pension by cash to pensioners who receive their payment in cash on a weekly basis, in each of the last three years for which figures are available; [120193]

(3) what was the average annual cost of administering the payment of retirement pension by automated credit transfer to pensioners who receive their payment by ACT on a four-weekly basis, in each of the last three years for which figures are available. [120194]

Mr. Rooker: Information is not available in the format requested. Such information as is available is in the table.

The estimated customer shift to four-weekly payments

	Year ending April:		
	1997	*1998*	*1999*
UK Pension Caseload[1]	9,545,508	9,412,145	9,478,168
Percentage paid by ACT 4 weekly	33	35	39

[1] Figures exclude pensioners who are in receipt of Income Support and receive a combined payment, or receive payment abroad.

Note:

Approximately 2.3 per cent. of pensioners receive payment by ACT 13 weekly or annually.

The information on administration costs and savings is not available to the detail required. Information on the total annual cost of administering the payment of Retirement Pension is collated but not split by method of payment.

For information, the total annual cost of administering Retirement Pension in the last three years currently available is:

	£ million
1996–97	302
1997–98	312
1998–99	314

Mortgages

Mr. David Stewart: To ask the Secretary of State for Social Security what plans he has to draw up regulations to disregard the value of ISA funds backing a mortgage, where someone with an ISA mortgage has to claim *(a)* Income Support and *(b)* income-based Jobseeker's Allowance in the same way the value of an endowment policy backing a mortgage is exempted. [120227]

Mr. Rooker: We have no plans to do so.

Domestic Violence

Ms Moran: To ask the Secretary of State for Social Security what statistics are collected by his Department on evidence of domestic violence in reports prepared by social workers for courts considering issuing child contact orders. [119576]

Mr. Hutton: I have been asked to reply.

Reports on evidence of domestic violence would be prepared by court welfare officers, social workers and other relevant staff at the direction of the judge considering applications for child contact orders. As such, the reports would be documents of the court, and therefore not routinely available (unless at the judge's discretion) for wider circulation or statistical analysis.

HEALTH

Patient Representation

18. **Mrs. Butler:** To ask the Secretary of State for Health what steps he is taking to strengthen the system of representation of patients' views in the NHS. [119071]

Ms Stuart: I refer my hon. Friend to the reply I gave earlier today to my hon. Friend the Member for Portsmouth, North (Mr. Rapson), *Official Report*, column 8.

Hospital Hygiene

19. **Dr. Cable:** To ask the Secretary of State for Health if he will make a statement on the Government's plans for improving standards of hygiene in hospitals. [119072]

Mr. Denham: Trust Chief Executives are responsible for ensuring that there are high standards of cleanliness and hygiene in hospitals. The infection Control Nurses Association and the Association of Domestic Mangers have recently produced new "Standards for Environmental Cleanliness in Hospitals", which National Health Service Estates will be publishing shortly and sending to all NHS trusts. The controls assurance framework, published on 22 November 1999 has a section relating to infection control, including special reference to cleanliness.

Commission for Health Improvement

20. **Mr. Casale:** To ask the Secretary of State for Health if he will make a statement on the role of the Commission for Health Improvement. [119073]

Mr. Denham: The Commission will provide independent scrutiny of local National Health Service systems to assure and improve clinical quality; provide an expert resource to ensure rapid action is taken to address serious or persistent problems that have not responded to local efforts, and monitor NHS progress in tackling variations in standards of services.

Health Spending

21. **Sir Sydney Chapman:** To ask the Secretary of State for Health what his policy is in respect of the proportion of gross domestic product that should be spent on health. [119075]

Mr. Denham: In his recent Budget statement, the Chancellor announced the largest ever increase in funding for the National Health Service in England. Over this year and the next three, NHS Expenditure will grow on average by 6.3 per cent. a year over and above inflation. This is nearly twice the historic rate of growth.

Based on our latest projections total United Kingdom healthcare expenditure will reach around 7.6 per cent. of Gross Domestic Product by 2003–04.

Harefield Hospital, Middlesex

23. **Mr. Wilkinson:** To ask the Secretary of State for Health how many letters his Department has received about the proposed closure of Harefield hospital, Middlesex. [119077]

Mr. Denham: Between 14 February and 18 April 2000 the Department of Health received a total of 54 letters about the proposals for the future of Harefield hospital.

Community Hospitals

25. **Mr. Chidgey:** To ask the Secretary of State for Health which community hospitals have closed since May 1996, and how many beds have been lost as a result; and if he will make a statement. [119079]

Mr. Denham: The information requested is not available centrally.

Assertive Outreach Teams

26. **Dr. Lynne Jones:** To ask the Secretary of State for Health how many assertive outreach teams have been established since May 1997. [119080]

Mr. Hutton: Information about assertive outreach teams was first collected in 1998–99. Sixty-six teams were in existence by March 1999. Data for the year ending March 2000 have not yet been finalised but health authority plans indicated that a further 57 teams were to be established in 1999–2000.

In the National Priorities guidance for 2000–01 we have set a target for a further 50 teams to be established bringing the total to over 170 teams.

Local Authority Adoption Services

28. **Mr. Colman:** To ask the Secretary of State for Health what plans he has to reduce variations in the performance of local authorities in providing adoption services. [119082]

30. **Mrs. Ann Cryer:** To ask the Secretary of State for Health what plans he has to reduce variations in the performance of local authorities in providing adoption services. [119084]

Mr. Hutton: We have already put in place the Quality Protects programme to transform the performance of local authority children's services. This includes investing in improved adoption services, in support of our aim of making maximum use of adoption with minimum delay. In addition, my right hon. Friend the Prime Minister is, with ministerial colleagues, conducting a review of adoption policy, looking at how to improve all aspects of the service.

NHS Trusts (Board Appointments)

29. **Mr. Amess:** To ask the Secretary of State for Health what the timetable is for reviewing the way in which board members of NHS trusts are appointed. [119083]

Ms Stuart: I am looking carefully at the best way to implement the new procedures and I hope to have a more detailed timetable in the next few months.

Waiting Lists (Northamptonshire)

31. **Mr. Boswell:** To ask the Secretary of State for Health if he will make a statement on current hospital waiting lists in Northamptonshire. [119085]

Mr. Denham: At the end of February 2000, the total number of patients on hospital waiting lists in Northamptonshire (inpatient and day case admissions) was 13,503—a 20 per cent. reduction from the total in April 1998.

Hospital Beds (Worcestershire)

32. **Mr. Gill:** To ask the Secretary of State for Health (1) how many hospital beds will be available in Worcestershire after the current hospital reorganisation; [119086]

(2) how many hospital beds he estimates will be available in Worcestershire following hospital reorganisation there. [109844]

Yvette Cooper: The important issue for the health service in Worcestershire is the number of patients who need to be treated and the appropriateness of their care. In line with this, the current estimate is that following hospital reorganisation there will be approximately 1,400 acute and community based beds available across Worcestershire. In addition, there will be more High Dependency Unit and Intensive Care Unit beds in the new acute hospital for Worcester owing to the investment the Government has made to modernise services in Worcestershire.

The report of the Government's National Beds Inquiry, set up to review assumptions about the demand for inpatient care and the implications for hospital bed numbers, was published for consultation on 10 February 2000. Consultation will focus on how health services, and specifically hospital beds, should be developed over the next 10- 20 years.

The National Beds Inquiry consultation will enable the Government to get the right number of the right sort of beds in the right places.

Community Health Provision

33. **Mr. Pond:** To ask the Secretary of State for Health what measures he proposes to improve community health provision. [119087]

Mr. Hutton: We have already introduced primary care groups and primary care trusts to provide more integrated services and to ensure local decisions about community healthcare services are led by local clinicians. We have introduced new flexibilities through the Health Act 1999 to enable better partnership working between the National Health Service and local councils. And we are developing a new tier of intermediate care services to build effective bridges between home and hospital.

Primary Care

34. **Liz Blackman:** To ask the Secretary of State for Health what action he is taking to deliver more services in primary care settings. [119088]

39. **Ms Perham:** To ask the Secretary of State for Health what action he is taking to deliver more services in primary care settings. [119093]

Mr. Denham: Our aim is that, in time, all patients will be able to access expanded primary care services. Primary care groups and, particularly, primary care trusts have a key role in developing such services and making them more convenient, faster and responsive. The additional health resources, which the Chancellor announced in the Budget Statement, offer the opportunity to begin to deliver this aim sooner. We intend to work with the professions and others to grasp that opportunity. Accordingly, improved access to services is one of the

main themes of the work of the modernisation action Teams, which my right hon. Friend the Secretary of State launched on 12 April.

Domiciliary Care Agencies

35. **Mr. Dobbin:** To ask the Secretary of State for Health if he will make a statement on his plans to regulate and inspect domiciliary care agencies. [119089]

Mr. Hutton: We are committed to introducing a regulatory framework for home care services, and proposals for this are included in the Care Standards Bill, which was recently introduced in this House.

All domiciliary care agencies will be required to register, if they provide personal care services, and be inspected annually by the National Care Standards Commission. This will not apply to those supplying solely domestic services, which do not involve personal care, nor to those who provide personal care single-handed.

A core steering group and a wider reference group have developed draft national minimum standards and a user forum was held in January 2000. A consultation version of the proposed regulations and standards should be published later this year.

National Institute for Clinical Excellence

36. **Mr. Burgon:** To ask the Secretary of State for Health if he will make a statement on the work of the National Institute for Clinical Excellence. [119090]

Mr. Denham: The National Institute for Clinical Excellence announced its work programme in November 1999. NICE has an agreed work programme of appraisals, clinical guidelines, clinical audits, and GP referral protocols. So far NICE has completed one fast-track appraisal, on the flu drug Relenza, and full appraisals on wisdom teeth and hip prostheses. We are expecting shortly the results of its appraisals on coronary artery stents and taxanes.

Waiting Lists (Consultants)

37. **Mr. Ruffley:** To ask the Secretary of State for Health how many patients are waiting for a first appointment with a consultant. [119091]

Mr. Denham: The Department has never collected data on the total number of people waiting for a first appointment with a consultant. The number of people waiting more than 13 weeks after referral by their general practitioner for a first outpatient appointment fell by 16,000 (3.2 per cent.) between September 1999 and December 1999 to 496,000.

NHS-prescribed Drugs (Access)

38. **Mrs. Brinton:** To ask the Secretary of State for Health what plans he has to remove regional variations in access to NHS-prescribed drugs. [119092]

Ms Stuart: We recognise and will tackle unacceptable variations in access to care and treatment. That is why we have set up the National Institute for Clinical Excellence (NICE). NICE will reduce post-code variations by issuing authoritative national guidance based on evidence of the clinical and cost-effectiveness of treatments.

NHS Dentistry

Mr. Gordon Prentice: To ask the Secretary of State for Health when he intends to publish his Green Paper on NHS dentistry. [119062]

Mr. Hutton: We intend to publish our proposals for modernising National Health Service dentistry this summer, in conjunction with the National Plan for the new NHS.

NHS Treatment (Access)

Mr. Ben Chapman: To ask the Secretary of State for Health what action he is taking to deal with regional variations in access to NHS treatment. [119069]

Mr. Denham: We are setting standards through the National Institute for Clinical Excellence and the National Service Framework programme; ensuring local delivery through clinical governance; and monitoring delivery via performance assessment framework, the Commission for Health Improvement and a national patient surveys programme. I will be working with relevant parties, utilising the record increases in National Health Service funding announced in the Budget, to improve NHS performance.

Health Statistics

Mr. Sheerman: To ask the Secretary of State for Health what steps he is taking to collate comprehensive health statistics on a constituency basis. [119078]

Mr. Denham: We have no plans to develop comprehensive data on a constituency basis. For many sets of health data an analysis by constituency is not possible; sub-national analysis reflects either local or health authority responsibilities as appropriate. An extensive range of local health statistics is available and following consultation on the Social Exclusion Unit's report on 'Better Information' this may be further extended.

Long-term Care

Mr. Burstow: To ask the Secretary of State for Health on what date he will announce his complete response to the report of the royal commission on long-term care. [119081]

Mr. Hutton: I refer the hon. Member to the statement made by my right hon. Friend the Secretary of State for Health on 2 December 1999, *Official Report*, columns 444–54.

Dystonia

Mr. Hancock: To ask the Secretary of State for Health how many people have died of dystonia or dystonia-related complications in each of the last five years. [119833]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Kidgell to Mike Hancock, dated 2 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question asking how many people have died of dystonia or dystonia-related complications in each of the last five years. I am replying in the Director's absence.

Information on the numbers of death certificates on which dystonia was mentioned and the number for which it was the underlying cause is given in the Table below.

Deaths with a mention of dystonia [1] occurring in 1994 to 1998, England and Wales

Year of death	*Total mentions*	*Dystonia as underlying cause*
1998	20	9
1997	18	5
1996	17	5
1995	21	7
1994	10	2

[1] International Classification of Diseases, Ninth Revision, codes 333.6, 333.7 and 333.8

Genetic Data

Mr. Cohen: To ask the Secretary of State for Health what assessment he has made of the compatibility of his Department's data matching in respect of fraud in the NHS with *(a)* Article 8 of the Human Rights Act 1998 and *(b)* medical confidentiality; what representations he has received on this subject; and if he will make a statement. [119523]

Mr. Denham: No such assessment has been made since the Department has not used data matching in respect of fraud.

Mental Health Services

Mrs. Lait: To ask the Secretary of State for Health how much money he has given *(a)* Bromley Health Authority and *(b)* Oxleas Dental Health Trust from the modernisation fund for use in mental health services in Bromley in *(a)* 1999–00, *(b)* 2000–01 and *(c)* 2001–02. [119466]

Mr. Hutton: The following funds have been allocated to Bromley Health Authority from the Modernisation fund for mental health services:

1999–2000

£35,000 for adult mental health (£15,000 for new atypical anti-psychotic medication and £20,000 for improved 24 hour access to services)

£56,000 for child and adolescent mental health

2000–01

£25,000 for child and adolescent mental health

In addition to this, nationally £21.7 million of mental health modernisation fund money was allocated as part of unified allocations to all health authorities

Further allocations will be made during 2000–01.

Allocations have not been announced for 2001–02.

We do not make revenue allocations direct to National Health Service trusts. NHS trusts receive most of their income through service agreements with health authorities and their primary care groups.

Cerebral Palsy

Mr. Paul Marsden: To ask the Secretary of State for Health what assessment he has made of the effectiveness of Dysport in the treatment of cerebral palsy. [119467]

Ms Stuart: Dysport ("Clostridium botulinum" toxin, marketing authorisation holder Ipsen Limited) has been investigated over a number of years for use as an injection into spastic muscles of children with cerebral palsy, to relieve the muscle spasticity. Cerebral palsy can result in calf muscle spasticity, causing the foot to turn outwards and so interfering with gait and sometimes with the ability to walk. When used in the appropriate dose, injection of botulinum toxin into the calf muscles can improve gait and enable walking.

The Medicines Control Agency undertook a full assessment of reports of these studies, to evaluate the efficacy and safety of Dysport used in this way, in November 1999. On the basis of this assessment the licence for Dysport was varied to allow marketing for the indication

'Treatment of dynamic equinus foot deformity due to spasticity in paediatric cerebral palsy patients, two years of age or older, only in hospital specialist centres with appropriately trained personnel.'

Dynamic equinus foot deformity is the result of spasticity in the calf muscle.

Domestic Violence

Ms Moran: To ask the Secretary of State for Health what plans he has to propose amendments to the Protection of Children Act 1999 to offer greater protection to children subject to child contact orders where there is a history of domestic violence. [119281]

Mr. Hutton: We have no plans to amend the Protection of Children Act 1999 in this way because it is aimed at a different set of issues; primarily at preventing those considered unsuitable to work with children from doing so.

Contact orders are granted under the Children Act 1989 and when there is a history of domestic violence, greater protection may be offered to children through the court specifying that contact takes place within a contact centre. Additionally, contact may take place in such centres on a supervised basis. An inter-departmental group is looking currently at the funding arrangements and provision of child contact centres as part of the Government's programme on domestic violence—documented in "Living Without Fear (1999)".

The operation of the Children Act is kept under close review and serious consideration is given to any changes that might provide greater protection to children with violent parents.

Hospital Food

Mr. Robertson: To ask the Secretary of State for Health what was the cost of providing food to hospital patients, broken down by *(a)* staffing costs, *(b)* food costs and *(c)* other costs, in the last 12 months; and if he will make a statement. [119660]

Ms Stuart: Costs for provisions and kitchen and contract hotel services are collected from the trust financial returns and the latest firm information is for the 1998–99 financial year; this is shown in the table.

Information on staffing costs and food costs for providing food to hospital patients is not collected centrally.

	£
Provisions and Kitchen[1]	257,633,466
Contract Hotel Services[2]	246,267,545

[1] Provisions and kitchen includes the purchase of provisions, hardware and crockery.

[2] Contract hotel services contains contract catering and laundry contracts.

Nursing Home Care

Mr. Robertson: To ask the Secretary of State for Health what plans he has to change the way in which nursing home care is financed; and if he will make a statement. [119661]

Mr. Hutton: We are considering all the Royal commission recommendations on the funding of long-term care in the context of the Government's Comprehensive Spending Review. Decisions will be announced later this year.

Aventis T25 Maize

Joan Ruddock: To ask the Secretary of State for Health, pursuant to his answer of 5 April 2000, *Official Report*, column 502W, on Aventis T25 maize, what was the voluntary scheme under which the application was made; how the application was *(a)* processed and *(b)* determined; who were the animal feed experts who advised him on the safety of T25 GM maize for animal feed; and if he will place in the Library a copy of the application, together with copies of the correspondence relating to the animal feed application between himself, his advisers and the company. [119304]

Ms Stuart *[holding answer 17 April 2000]:* I am advised by the Food Standards Agency that the voluntary scheme related to novel food safety assessment and was operated by the Advisory Committee on Novel Foods and Processes (ACNFP). Although there was no equivalent scheme for novel animal feeds, the dossier of information was also considered by officials with expertise on animal feed matters. However, at this time, in the middle of 1996, the application from France under Council Directive 90/220/EEC for European Community marketing consent began to be considered. I am placing in the Library a copy of the advice from the European Commission's Scientific Committee on Plants. This explains, among other things, the animal feed issues considered prior to the granting of EC marketing consent for this crop. I am also placing in the Library copies of correspondence between the Ministry of Agriculture, Fisheries and Food and the applicant company culminating in the then Parliamentary Secretary's letter which was based on advice from the ACNFP.

Air Ambulances

Mrs. Fiona Jones: To ask the Secretary of State for Health what representations have been made to him regarding the central funding of emergency air ambulances, with particular reference to the one operating in Lincolnshire and Nottinghamshire. [119758]

Ms Stuart: While a number of representations have been made on the use of helicopters in the National Health Service, none have been made about the central funding of an air ambulance service in Lincolnshire and Nottinghamshire.

Community Nurses

Dr. Tonge: To ask the Secretary of State for Health (1) what recent discussions he has had with health trusts and local authorities concerning parking arrangements for community nurses; [119734]

(2) what recent discussions he has had with the Chancellor of the Exchequer regarding tax levels on lease cars used by community nurses; [119732]

(3) what discussions he has had with health trusts regarding mileage rates for community nurses; [119733]

(4) what plans he has to improve the lease car arrangements for NHS community nursing staff. [119731]

Ms Stuart: Mileage and travelling entitlements for National Health Service staff on national contracts are determined by an agreement of the General Whitley Council. A working group of the Council which includes representatives from trades unions and employers is reviewing existing provisions with the aim of recommending new arrangements which are fair to staff, meet service needs and reflect our wider environmental policies. The Inland Revenue have been consulted as part of this review.

As part of the consultation process for Department of the Environment, Transport and the Regions' "Planning Policy Guidance 13", a number of NHS acute and community trusts were contacted to ascertain the likely implications of the proposed maximum car parking standards being applied to NHS hospitals.

"Fit for the Future?"

Mr. Waterson: To ask the Secretary of State for Health when he expects to announce his conclusions based on the responses received to "Fit for the Future?"; and if he will make a statement. [119738]

Mr. Hutton: We intend to publish the finalised standards for care homes for older people later this year.

We are still considering the comments we received on "Fit for the Future?" before finalising the standards and the timetable for implementing them. However, we indicated our initial thinking in some key areas on 15 February 2000, *Official Report*, column 176WH.

We believe that some of the 260 proposals in "Fit for the Future?" may only have a marginal impact on the quality of care and it is highly unlikely that this many standards will be needed.

We do not accept that fixed ratios are the best means of specifying the number and qualifications of staff to be employed in a nursing home. For qualified nurses, numbers should relate to the assessed needs of residents at any one time. We are considering what models of assessment should be recognised by the National Care Standards Commission for this purpose and how nursing needs are defined so that nurse staffing levels can be set accurately and realistically.

We are looking very carefully at the proposed standards on the physical environment of care homes. These must take account of the high levels of physical frailty that many older residents in care homes have. In determining room size it is important to bear in mind aspects such as quality of life and safety for residents and staff. However, we do not intend to impose unreasonable physical standards on existing homes. Physical standards will be set at a level already being met by some providers and which other providers should be able to meet over time.

None of the standards will be introduced until at least 2002 when the Commission takes on its regulatory function. Some of the more challenging standards will not be implemented until some time after that. Providers will be given realistic timescales in which to meet any new standards.

Mental Health

Mrs. Lait: To ask the Secretary of State for Health what plans there are for primary care groups to commission mental health services. [120032]

Mr. Denham: Health authorities are able to delegate to their primary care groups responsibility for commissioning most hospital and community health services, including mental health services. The range of services which each primary care group is responsible for commissioning is a matter for agreement between it and its health authority. As primary care groups develop, we expect them to take on responsibility for commissioning more services, including mental health.

Mrs. Lait: To ask the Secretary of State for Health how much of the planned increase in health spending in each of the next three years will be spent on mental health *(a)* in total and *(b)* in each region (i) in cash terms and (ii) as a percentage of the planned increase. [120031]

Mr. Hutton: Last year we announced our vision for mental health services, "Modernising Mental Health Services", with an additional £700 million of funding for health and social services during the comprehensive spending review period (1999–2000 to 2001–02). Since then, in the last budget, significant extra resources were made available to the NHS in each of the next four years. Decisions on the disposition of these resources have yet to be finalised.

It is therefore not possible to identify all of the additional resources that will be available for spend on mental health over the next four years.

Primary Care Group Board

Mr. Austin: To ask the Secretary of State for Health how many Primary Care Group Board members are from the Professions Allied to Medicine. [120064]

Ms Stuart *[holding answer 20 April 2000]:* The composition of primary care groups governing boards reflects the need to ensure that general practitioners and nurses are in the driving seat for the shaping of local health care services. Professions Allied to Medicine may become co-opted members on the boards of local primary care groups but that information is not held centrally.

Mr. Austin: To ask the Secretary of State for Health, pursuant to his answer of 16 March 2000, *Official Report*, column 306W, for what reason the completion of equal opportunities forms by primary care group board members is not compulsory; and if he will make their completion compulsory. [120061]

Ms Stuart *[holding answer 20 April 2000]:* Committees of National Health Service organisations are not statutory bodies and therefore members of such committees are not subject to the same requirements to submit equal opportunity information as are board members of NHS organisations. A primary care group is a committee of a health authority

There are no plans to introduce compulsory equal opportunity forms for primary care group board members.

Mr. Austin: To ask the Secretary of State for Health how many primary care group board members are nurses, midwives or health visitors from ethnic minority backgrounds. [120062]

Ms Stuart *[holding answer 20 April 2000]:* Based on the information provided by primary care groups last year, there are 12 primary care group board nurse, midwives or health visitor members from ethnic minority backgrounds. This information is currently being updated to reflect any changes in primary care groups and the creation of 17 primary care trusts from 1 April 2000.

Nurses and Health Visitors

Mr. Austin: To ask the Secretary of State for Health (1) how many *(a)* health visitors and *(b)* district nurses are aged 55 years old and over; and what proportion of the current workforce in each case they represent; [120006]

(2) how many *(a)* health visitors, *(b)* school nurses and *(c)* district nurses are currently in training; and what numbers in training are planned for 2001–02. [120060]

Ms Stuart *[holding answer 20 April 2000]:* The available information is shown in the tables. 2000–01 training figures are forecast and 2001–02 are not available.

NHS Hospital and Community Health Services (HCHS): All health visitors and district nurses, who are 55 years of age and over, within England, as at 30 September 1998

Whole-time equivalents

	Health visitor	*District nurse*
Staff 55 years of age and over	1,330	1,270
Percentage of staff 55 years of age and over	13	11
Total staff	10,070	11,430

Notes:
1. Figures are rounded to the nearest 10.
2. Figures exclude learners and agency staff.
3. Percentages were calculated from numbers of staff expressed as whole-time equivalents.

Source:
Department of Health Non-Medical Workforce Census

NHS funded pre-registration training commissions forecast figures for 2000–01

	Commissions
Health visitor	662
School nurses	162
District nurses	619

Sources:
Department of Health Financial and Workforce Information Return

Health Visitors (Ethnicity)

Mr. Austin: To ask the Secretary of State for Health what the breakdown was by ethnic origin of health visitors employed in London by NHS trusts in each of the last four years. [120063]

Ms Stuart *[holding answer 20 April 2000]:* The data requested for each of the last four years for which information is available are given in the table:

Year	Total	White	Black	Asian	Other	Unknown
1995	100	69	18	4	5	4
1996	100	68	20	4	5	3
1997	100	63	22	4	7	3
1998	100	59	26	4	5	6

Notes:
1. Figures are expressed as percentages.
2. Information as at 30 September each year.
3. Percentages were calculated from numbers of staff expressed as whole-time equivalents.

Source:
Department of Health Non-Medical Workforce Census.

Speech Therapists

Dr. Brand: To ask the Secretary of State for Health how many speech therapists are employed by region; and how many vacancies there are for speech therapists. [120308]

Mr. Denham: Information on how many speech therapists are employed by region; and how many vacancies there are for speech therapists are set out in the tables.

NHS Hospital and Community Health Services (HCHS): All speech and language therapy staff by Regional Office Area, in England as at 30 September 1998

Whole-time equivalent

	All speech and language therapy staff	Manager	Therapist	Tutor	Student/trainee	Helper/assistant
England	4,130	100	3,730	[1]—	[1]—	300
Northern and Yorkshire	480	20	430	0	0	30
Trent	360	10	330	0	0	20
Anglia and Oxford	380	[1]—	350	0	0	20
North Thames	700	10	640	[1]—	0	40
South Thames	650	10	590	0	0	50
South West	490	10	450	0	[1]—	30
West Midlands	480	10	420	0	0	50
North and West	590	10	520	0	0	50
Other	[1]—	0	[1]—	0	0	0

[1] Five or less and greater than zero

Note:
Figures are rounded to the nearest ten

Source:
Department of Health 1998 non-medical work force census

Department of Health Recruitment, Retention and Vacancies Survey—total and three month vacancies in NHS Trusts by region—speech and language therapy staff at 31 March 1999

Whole-time equivalent

	Total vacancies	Three month vacancies
England	180	50
Northern and Yorkshire	20	10
Trent	20	[1]—
Anglia and Oxford	10	0
North Thames	40	10
South Thames	30	10
South West	20	[1]—
West Midlands	10	[1]—
North and West	30	10

[1] Five or less and greater than zero

Notes:
1. Figures are rounded to the nearest ten.
2. Total vacancies are the total posts that Trusts were actively trying to fill at 31 March 1999.
3. Three month vacancies are those posts that had been vacant for three months or more at 31 March 1999.
4. All figures rounded to the nearest whole number.

Dr. Brand: To ask the Secretary of State for Health how many speech therapists are employed by the NHS by region who have special training in communication aids. [120309]

Mr. Denham: The information requested is not available centrally.

Dr. Brand: To ask the Secretary of State for Health how many speech therapists are in training. [120307]

Mr. Denham: There are currently 825 National Health Service funded speech and language therapists in training. This figure reflects those who have entered training since 1 September 1998 (the date on which the Department assumed responsibility for supporting new entrants on pre-registration speech and language therapy courses). Students who started their training prior to this date are funded under mainstream student support arrangements, which are a matter for the Department for Education and Employment.

Nurse Consultants

Mr. Austin: To ask the Secretary of State for Health what the breakdown is by *(a)* gender and *(b)* ethnic origin of the newly-appointed nurse consultants. [120005]

Ms Stuart *[holding answer 20 April 2000]:* On 18 January approval was given for National Health Service bodies to establish 141 new nurse, midwife and health visitor consultant posts. The appointment process is under way but has not been completed. Data on the gender and ethnic origin of those appointed are not yet available.

Birth Certificates

Mr. Caton: To ask the Secretary of State for Health for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120318]

Ms Stuart: All those working for or on behalf of the Department may be called upon to produce a birth certificate, or other similar documentation, to prove their identity, eligibility under Civil Service nationality rules or age.

Working Time Directive

Mrs. Dean: To ask the Secretary of State for Health what progress has been made in implementing the working time directive within the NHS. [120237]

Mr. Denham: Good progress is being made. Agreements have been reached with the General Whitley Council and the British Medical Association, to cover all National Health Service staff on nationally negotiated terms and conditions, other than junior doctors who are currently exempt from the working time regulations. The aim of these agreements is to make maximum use of the available flexibilities to allow local arrangements to be established so that the Directive can be implemented smoothly without adversely affecting service provision.

In addition, the NHS Executive issued supporting guidance in November 1998 (Health Service Circular 1998/204). Further advice was issued on 20 December 1999, to clarify certain legal aspects, and continued support and advice is available to help local managers resolve practical issues that arise.

We expect all NHS employers to be in a position to implement the regulations in their entirety shortly.

Children (Physical Punishment)

Mr. Redwood: To ask the Secretary of State for Health what steps he has taken to ensure public awareness of his document, entitled "The Physical Punishment of Children". [120186]

Mr. Hutton: We launched the consultation paper "Protecting Children, Supporting Parents: A Consultation Paper on the Physical Punishment of children" at a press conference on 18 January. It received extensive media coverage that day, and was widely reported in the media subsequently. The document was also made available on the DH website.

In addition, a number of children's organisations have run campaigns associated with the consultation throughout the consultation period and a number of publications with specialist and family interests have featured articles about the issues involved.

Mr. Redwood: To ask the Secretary of State for Health if the Government will allow a longer time for public response to their consultation on the document, entitled "The Physical Punishment of Children". [120185]

Mr. Hutton: The consultation paper "Protecting Children, Supporting Parents: A Consultation Paper on the Physical Punishment of Children" was issued on 18 January and responses were asked for by 21 April.

While we are not proposing any formal extension to the consultation period we will take account of any responses received before the analysis of the responses is completed.

Residential and Nursing Homes

Mr. Curry: To ask the Secretary of State for Health what financial provision is made to local authorities in respect of residents who have placed themselves in residential or nursing homes and whose capital has declined to £16,000. [120073]

Mr. Hutton: Residential and nursing home care services are funded through the Revenue Support Grant. We do not make any specific financial provision in respect of residents who have placed themselves in residential or nursing homes and whose capital has declined to £16,000. At this point the local authority can undertake an assessment and, if necessary, step in to take over arrangements to ensure that the resident is not forced to use up capital below £16,000 beyond his assessed level.

Mr. Curry: To ask the Secretary of State for Health how many residents in residential or nursing homes in each shire county in England, who placed themselves in such homes, are now funded by the local authority; and if he will estimate the cost to each local authority in the current financial year. [120075]

Mr. Hutton: Information in the form requested is not collected centrally. However, the number of residents supported by local authorities is at Table S3 in the Statistical Bulletin "Community Care Statistics 1999 Residential Personal Social Services for adults, England". Copies of this publication are available in the Library.

Aspartame

Mr. Baker: To ask the Secretary of State for Health what mechanisms are in place to monitor the number of people suffering an adverse reaction to aspartame. [120498]

Ms Stuart: The scientific data on aspartame are kept under continual review by scientific experts within the Food Standards Agency and, when necessary, independent expert advice is sought. In fact the safety of aspartame has been extensively reviewed by independent experts both in the United Kingdom and other European Member States and is considered safe to use for the general population. However, it is a legal requirement for all foods containing aspartame to be clearly labelled as containing a source of phenylalanine.

Correspondence

Mr. Beith: To ask the Secretary of State for Health when he plans to reply to the letter from the right hon. Member for Berwick-upon-Tweed of 4 January, concerning the length of time a constituent is waiting for treatment for angina. [120591]

Ms Stuart: My right hon. Friend will reply to the right hon. Member's letter as soon as possible.

NHS Appointments

Mr. Brady: To ask the Secretary of State for Health (1) on how many occasions since the publication of the Fritchie report on NHS appointments hon. Members have been asked to comment on shortlists for appointments to *(a)* health authorities, *(b)* NHS trusts and *(c)* primary care trusts; [120283]

(2) how many councillors of each party affiliation have been short-listed for appointments to *(a)* health authorities, *(b)* NHS trusts and *(c)* primary care trusts since the publication of the Fritchie report on NHS appointments. [120284]

Ms Stuart: Since 22 March when the Fritchie report was published, 56 submissions for 101 posts have been received by Ministers.

These included recommendations for 11 chairs and shortlists for non-executives which included 24 councillors.

The selection process at regional level had already been largely completed before 22 March so it is fair to assume that hon. Members were consulted on all 11 chair appointments in the usual way.

Drug Companies

Mr. Flynn: To ask the Secretary of State for Health what checks he makes on the financial contributions made by drug companies to organisations that make representations to him. [120376]

Ms Stuart: It is neither practicable nor appropriate to check on the sources of income of every organisation that makes representations to the Department. In cases where the Department is contemplating financial support for an organisation, checks of this kind are made. It should be noted that the pharmaceutical industry offers support to organisations or their objectives in various ways other than direct financial contributions, and these must also be taken into account.

Nurses

Dr. Lynne Jones: To ask the Secretary of State for Health how many qualified nurses left the profession within one year of completing their initial training in each of the last five years for which figures are available; and if he will make a statement on the impact of this loss of trained nurses on patient care. [120398]

Mr. Denham: This information is not collected centrally. We recognise the contribution nurses make to patient care and we are therefore committed to encouraging them to stay in the National Health Service once they have qualified. NHS employers are becoming more flexible with the working patterns they are offering, thus allowing nurses to balance their lives at work and home. The number of qualified nurses working in the NHS increased by over 5,500 between September 1998 and September 1999.

Health Authority Allocations

Mr. Lidington: To ask the Secretary of State for Health if he will list for each health authority in England in rank order its allocation for 2000–01, including the expenditure announced on 28 March, expressed *(a)* per head of population, and *(b)* per household. [120274]

Mr. Denham: The average allocation per household in England for 2000–01 is £1,631. The number of households in each health authority is not available.

The allocation per weighted head of population in each health authority is given in the table.

All figures include the additional £660 million announced on 28 March.

£

Health authority	*2000–01 allocation per weighted head of population*
Isle of Wight	736
Bexley and Greenwich	729
Redbridge and Waltham Forest	714
Wirral	710
Morecambe Bay	710
Camden and Islington	710
Sefton	709
Gloucestershire	708
Kingston and Richmond	706
West Surrey	706
East Kent	705
East Sussex, Brighton and Hove	705
Lambeth, Southwark and Lewisham	705
Manchester	704
Brent and Harrow	704
East Surrey	703
Liverpool	702
South Lancashire	702
Wiltshire	702
Salford and Trafford	701
Dorset	701
South Humber	701
Cornwall and Isles of Scilly	701
Merton, Sutton and Wandsworth	700
Warwickshire	699
Sheffield	698
South and West Devon	698
North and East Devon	697
Newcastle and North Tyneside	696
Leeds	694
North Cheshire	694
West Kent	694
Northamptonshire	694

£

Health authority	2000–01 allocation per weighted head of population
Barking and Havering	694
Suffolk	694
South Cheshire	694
North and Mid Hampshire	693
Birmingham	693
Wakefield	693
Worcestershire	692
Enfield and Haringey	691
Somerset	691
West Hertfordshire	691
Stockport	691
North Cumbria	691
Barnet	691
Solihull	690
East Riding	689
North West Lancashire	688
Southampton and South West Hampshire	688
Bromley	688
Doncaster	688
Ealing, Hammersmith and Hounslow	688
Portsmouth and South East Hampshire	688
Norfolk	688
Northumberland	687
Bury and Rochdale	687
North Essex	687
Calderdale and Kirklees	687
South Staffordshire	686
Herefordshire	685
West Sussex	684
North Derbyshire	684
Hillingdon	684
North Yorkshire	684
St. Helens and Knowsley	684
Sandwell	684
Bradford	684
East Lancashire	683
Sunderland	682
Gateshead and South Tyneside	682
Rotherham	682
Tees	682
Lincolnshire	681
Croydon	681
Avon	681
Walsall	679
East and North Hertfordshire	679
Shropshire	678
North Staffordshire	678
Wolverhampton	677
Dudley	677
South Essex	677
South Derbyshire	677
West Pennine	676
County Durham	674
Nottingham	673
North Nottinghamshire	672
Oxfordshire	672
Cambridgeshire	671
Leicestershire	670
Coventry	669
Barnsley	669
Buckinghamshire	668
Wigan and Bolton	667
East London and the City	666
Berkshire	666
Bedfordshire	663
Kensington, Chelsea and Westminster	637
England total	688

NHS Savings

Mr. Lilley: To ask the Secretary of State for Health what are the net savings made from replacing the NHS internal market by the arrangements introduced in April 1999. [120330]

Mr. Denham: Savings from replacing the National Health Service internal market have played a major part in ensuring that the Government are on course to achieve their commitment to save £1 billion from the cost of bureaucracy in the NHS. Savings have accrued through a series of measures including:

- abolishing the internal market and ending competition;
- introducing new primary care groups in place of general practitioner fundholding;
- replacing yearly contracts within the NHS with long-term agreements;
- abolishing the wasteful "extra-contractual referral" system
- pooling services and functions;
- merging NHS trusts to save at least £500,000 in each case.

These and other savings related to abolition of the NHS internal market and other cost reducing measures have contributed to an overall saving in management costs of £0.5 billion up to the end of March 2000.

Mr. Lilley: To ask the Secretary of State for Health what steps he has taken to *(a)* monitor and *(b)* measure the net savings arising from replacement of the NHS internal market. [120331]

Mr. Denham: The cost of managing the National Health Service has been monitored in a consistent way since 1995–96 and change in the quantum of management costs is used as the basic measure of savings accrued. No additional steps have been taken to monitor and measure the net savings arising specifically from replacement of the NHS internal market.

Monitoring of NHS management costs is carried out quarterly and annually for health authorities and primary care groups. Monitoring of management costs in NHS trusts is carried out annually.

Savings in total management costs are calculated annually from the information supplied by individual HAs and NHS trusts. Information to identify the level of savings accrued from mergers of NHS trusts is collected separately.

Electronic Health Records

Mr. Paul Marsden: To ask the Secretary of State for Health if he will make a statement on the progress made by *(a)* health authorities in Shropshire and *(b)* nationally to develop Electronic Health Records as set out in the report, "Information for Health". [120367]

Ms Stuart: The information strategy for the Modern NHS 1998–2005 "Information for Health", called for a number of demonstrator sites to be set up to explore the issues associated with the creation of electronic records. The setting up of these sites is a key component of supporting the delivery of electronic health records throughout the National Health Service.

I announced the names of the four Electronic Health Record (EHR) demonstrators on Monday 17 April during my visit to Burton hospitals, South Staffordshire. The

sites chosen are Cornwall, South Staffordshire, County Durham and Tees. Work will commence once the deliverables have been agreed with each of the sites, on developing the concept of longitudinal care and 24-hour emergency access to clinical records. The sites will also consider emerging issues such as areas of personal rights to control over medical information (European context) and e-health agenda.

A larger number (up to 12) of Electronic Patient Records (EPR) demonstrators will start working in June on specific areas that have been identified as priorities by their local health community. These will include how information can be shared more effectively among members of the primary health care teams and between different organisations for the benefit of patient care. They will also closely support the concept of how information will actually support the delivery of the local Health Improvement Programme. The names of the successful sites will be announced in the next few weeks.

The demonstrator sites will be subject to national evaluation and will run for two years.

Shropshire local health community has developed a full Local Implementation Strategy for Information for Health. This was submitted to the Regional Office on 31 March 2000 and is currently being evaluated. It sets out a clear vision of the way in which the Shropshire local health community will achieve the targets set out in "Information for Health" in the period between 2000–05. The vision is supported by detailed investment proposals for the organisations involved in the planning and delivery of health and social care services to patients and the public in Shropshire.

Medical Laboratory Science Officers

Mr. Ruane: To ask the Secretary of State for Health what is the average amount of *(a)* paid and *(b)* unpaid time a medical laboratory science officer is expected to set aside for studying for a continuing professional development certificate. [120337]

Mr. Denham: The information requested is not collected centrally. Health Service Circular 1999/154, "Continuing Professional Development: Quality in The New NHS", supports National Health Service employers to develop locally managed arrangements for continuing professional development (CPD) to ensure that CPD programmes address the personal and career development needs of individuals and meet local service objectives and the needs of patients.

Mr. Ruane: To ask the Secretary of State for Health what progress has been made in allowing medical laboratory science officers to join the Pay Review Body; and if he will make a statement. [120335]

Mr. Denham: Our proposals for modernising National Health Service pay, which were published in February 1999 in "Agenda for Change", include bringing some groups of highly qualified staff within the scope of the Nursing Pay Review Body, without changing its fundamentally professional character.

Initial discussions with NHS trade unions on pay modernisation resulted in a joint Framework of Principles and Agreed Statement on the Way Forward which was published on 8 October 1999. Para 7.2 of the joint Framework sets out the following starting point for more detailed discussions with trade unions on the qualifying criteria for groups to come with the scope of the NPRB:

> Professions with a minimum entry requirement of three years educational study (or equivalent) to diploma level or higher, in a health specific area (other than medicine or dentistry) and which are state registered and have a substantial majority of members employed in health care.
>
> Exceptions might be agreed for staff groups which met the majority but not all of these conditions.
>
> Staff groups which support professions added to the NPRB remit, and who have a direct connection with the transferred groups similar to that between nursing auxiliaries and registered nurses, would also need to be considered for transfer.

I am sure my hon. Friend will appreciate that, as this is part of continuing confidential discussions with NHS unions aimed at reaching agreement by summer 2000, I am unable to comment further at this stage.

Mr. Ruane: To ask the Secretary of State for Health what records are kept by his Department of death rates among medical laboratory science officers. [120338]

Mr. Denham: Information on death rates among medical laboratory science officers is not collected centrally, but may be held locally by individual National Health Service employers.

Health Workers

Mr. Ruane: To ask the Secretary of State for Health if he will make a statement on *(a)* recruitment and *(b)* retention among health workers not covered by the Pay Review Body. [120334]

Mr. Denham: We recognise that National Health Service staff are the key to delivering its ambitious programme to modernise the service, and we are taking a number of steps which will help to address the issue of recruitment and retention of all NHS staff.

We are modernising services and modernising employment practice in the NHS: developing more supportive, flexible and family friendly working practices; extending and improving investment in lifelong learning and professional development; tackling violence and racism in the workplace; involving staff in the way services are delivered and in the changes and developments that affect their working lives. Pay is also being addressed.

In addition, we are developing the interactive service "NHS Careers" which will cover all NHS staff in due course.

Psychologists and Child Psychotherapists

Mr. Ruane: To ask the Secretary of State for Health if he will make a statement on the recruitment of clinical psychologists and child psychotherapists. [120328]

Mr. Denham: We recognise that National Health Service staff are the key to delivering its ambitious programme to modernise the Service, and we are taking a number of steps which will help to address the issue of recruitment and retention of clinical psychologists and child psychotherapists.

The recently published National Service Framework for mental health demands concerted local action through health improvement programmes, using local mechanisms for workforce planning, education and training, and continuing professional development and lifelong learning. The standards set out will require properly trained and supported additional staff across all groups to provide modern health care.

The Department has established an action team, chaired by Sue Hunt, an experienced mental health services chief executive, to deliver a nationally co-ordinated programme of support to help local health and social services authorities meet their complex workforce needs.

We are modernising services and modernising employment practice in the NHS: developing more supportive, flexible and family friendly working practices; extending and improving investment in lifelong learning and professional development; tackling violence and racism in the workplace; involving staff in the way services are delivered and in the changes and developments that affect their working lives. Pay is also being addressed.

In addition, we are developing the interactive service "NHS Careers" which will cover all NHS staff in due course.

GP Lists

Mrs. Spelman: To ask the Secretary of State for Health for what reasons United Kingdom nationals are removed from their GP's list following periods of work abroad exceeding three months. [120377]

Ms Stuart: General practitioners' lists need to be kept up to date in order to reflect accurately the numbers of patients that they are responsible for. GPs have duties to provide continuity of care to their patients, and also to be able to visit them outside the surgery should the need arise. These responsibilities cannot be fulfilled if patients are resident abroad.

Appointment Waiting Times

Mr. Stephen O'Brien: To ask the Secretary of State for Health what is the average waiting time for patients from first referral until their first appointment with a consultant. [119074]

Mr. Denham: The average waiting time for patients from general practitioner referral to being seen by the consultant for their first appointment is seven weeks.

European Food Authority

Mr. Redwood: To ask the Secretary of State for Health if the proposed European Food Authority will be able to overrule the UK's Food Standards Agency. [120496]

Ms Stuart: No such formal role has been proposed. The relationship between the proposed European Authority and agencies in member states is not clearly defined in the Commission's communication. However, we expect any recommendations from the proposed Authority to be based on full consultation and careful analysis of the best available scientific information. The United Kingdom's Food Standards Agency will wish to be involved at an early stage and to participate closely in the work of the Authority.

Beef Imports

Mr. Todd: To ask the Secretary of State for Health what tests are undertaken to ensure the safety of beef imported into the United Kingdom from countries where BSE infections have been notified. [117708]

Ms Quin: I have been asked to reply.

There are no tests available for the detection of BSE in meat. The three tests recently approved by the European Commission have been approved for the purposes of surveillance and are not suitable for testing imported beef.

FOREIGN AND COMMONWEALTH AFFAIRS

Regulation of Investigatory Powers Bill

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his policy in respect of the use his Department, its agencies and public bodies will make of the powers relating to the authorised obtaining of communications data in Part I, Chapter II of the Regulation of Investigatory Powers Bill once the Bill is enacted. [119508]

Mr. Robin Cook: I refer my hon. Friend to the answer given by my right hon. Friend the Home Secretary on 19 April 2000, *Official Report*, column 509W.

Online Services

Mr. Robert Jackson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the services which *(a)* his Department and *(b)* the executive agencies responsible to his Department (i) provide on-line and (ii) expect to be deliverable on-line by 2002. [119441]

Mr. Hain: We are currently collecting data on our progress on delivering 25 per cent. of Government services electronically by 2002 to be included in the Cabinet Office's Spring 2000 report monitoring progress towards delivery of all Government services electronically by 2005. We currently provide a range of services electronically via our websites, including country Travel Advice notices, seven separate visa application forms, consular services and embassy contact details. Over 60 British diplomatic missions also offer a range of information and services via their own websites, linked from the main Foreign Office website. In the future, it is hoped to set up regional electronic 'contact centres' for British consular and visa services abroad.

"Your Britain, Your Europe"

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs for what reason the "Your Britain, Your Europe" campaign includes events commemorating UK participation in the Council of Europe; for what reason the questionnaire from the roadshow refers to Europe rather than specific European institutions; and what is his policy on clearly identifying EU institutions in this campaign. [119813]

Mr. Vaz: My engagement at the Council of Europe on 1 December had nothing to do with the "Your Britain, Your Europe" roadshow. The aim of the questionnaire was to pose general questions about Europe rather than focus on the specific institutions of the European Union.

During the "Your Britain, Your Europe" campaign I will want to cover all aspects of our involvement in the EU, including its institutions.

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 22 March 2000, *Official Report*, column 601W, on the European Union, if he will list those companies and educational institutions to which the "Your Britain, Your Europe" leaflet was distributed; and if he will make a statement explaining the basis for their selection. [119838]

Mr. Vaz: We distributed 7,000 copies of the leaflet during the week to passers-by and those at the establishments we visited. It is impossible therefore to measure how many educational institutions and companies may have received copies of the leaflet. During the roadshow I called on the following schools and universities: Woodham Comprehensive School (County Durham), St. Joseph's Secondary School (Tyne and Wear), the University of Hull, De Montfort University (Leicester), Queen Elizabeth Hospital School (Bristol), Bath University, Kings Edward VI College (Nuneaton) and St. John's Primary School (Birmingham). I called on the following companies: Nissan Motor Manufacturing (UK, CORUS Engineering Steels and Kwik Strip Eco Solutions.

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will estimate the proportion of *(a)* serving and *(b)* former (i) FCO and (ii) DFID Ministers' constituencies as part of the total number of constituencies visited by the first "Your Britain, Your Europe" tour; if he will list those constituencies so visited; and if he will make a statement. [119812]

Mr. Vaz: I visited 13 constituencies during the "Your Britain, Your Europe" roadshow. Two of these (Gateshead and Warrington, East, and Birmingham, Ladywood) are held by recent or current FCO and DFID Ministers. Information about former MPs in each constituency is not held centrally. As it is information about former Ministers, I suggest the hon. Member utilises the excellent facilities of the Oriel Room.

Fundamental Rights Charter

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress made regarding preparation of the Charter of Fundamental Rights, with special reference to its *(a)* contents *(b)* justiciability and *(c)* inclusion in the Treaty of Rome. [119816]

Mr. Vaz: The Charter Convention drafting body has now met seven times. There has been a first discussion of draft articles covering civil and political rights, citizens' rights (ie rights from the EU and EC Treaties), and some economic and social rights. Some civil and political rights have been discussed a second time. The next meeting on 27–28 April will include hearings of non-governmental organisations and continue the discussion of economic and social rights. The question of justiciability will depend upon the Charter's legal status which, together with inclusion in the Treaties, are beyond the Convention's mandate and will be considered by heads of government at the Nice European Council in December.

Gibraltar

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs what action he proposes to take in response to the refusal of the Spanish authorities to allow Commonwealth Parliamentarians access to Malaga Airport from Gibraltar on Friday 14 April as a result of the closure of Gibraltar Airport owing to bad weather. [119808]

Mr. Vaz: Spain, like other EU member states, is obliged to impose visa regimes on nationals of countries listed on the EU Common Visa List. Beyond this, the visa policy of other member states is not a matter for the UK.

In response to the problems faced by six members of the Commonwealth Parliamentary Association on 14 April, as a result of their lack of a Schengen visa, our Embassy in Madrid asked the Spanish Ministry of Foreign Affairs for assistance in ensuring that these CPA members could travel to Malaga to catch the later flight if that, too, was diverted. Once apprised of the problem, the Foreign Ministry took the necessary action with the Spanish regional authorities. In the event, their assistance was not needed as the flight was able to land in Gibraltar.

Parliamentary Answers (BNFL)

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list each of the *(a)* oral and *(b)* written parliamentary answers Ministers in his Department have provided since May 1997, which were based on *(a)* information and *(b)* a draft provided by British Nuclear Fuels. [120045]

Mr. Hain: Internal advice and the source of such advice is not made public in line with exemption 2 of the Code of Practice on Access to Government Information.

DTI Staff (Secondment)

Dr. Starkey: To ask the Secretary of State for Foreign and Commonwealth Affairs how many Department of Trade and Industry staff are currently on secondment to his Department; from which sections in the DTI they have come; and in which sections in his Department they are working. [119915]

Mr. Hain: There are 51 Department of Trade and Industry staff currently on loan to the Foreign and Commonwealth Office.

These staff were deployed from the following DTI Directorates: Consumer Affairs, Communications and Information Industries, Communications, Deregulation, Environment, Employee Relations, Invest in Britain Bureau, Management Best Practice, Nuclear Industries, Office of Science and Technology, Trade Policy, Warren Spring Laboratory, Export Control and Non-Proliferation and several regional Government Offices.

Since May 1999, British Trade International (a joint FCO/DTI Department) has had lead responsibility within Government for trade development and promotion on behalf of British business. This joint operation covers UK and overseas activity. Many of the DTI staff on loan to the FCO are deployed in British Trade International posts overseas. The majority of these staff took up their postings from what are now British Trade International UK operations.

Of the 51, there are currently 38 DTI staff in the following FCO and British Trade International posts overseas: Almaty, Amman, Bonn, Budapest, Buenos Aires, Cairo, Chicago, Dhaka, Gibraltar, Hanoi, The Hague, Houston, Johannesburg, Karachi, Kuwait, Lagos, Los Angeles, Moscow, Munich, New Delhi, Oslo, Ottawa, Paris, Peking, Seoul, Tokyo, UKMis Geneva, UKRep Brussels, Washington.

In London, the remaining 13 DTI staff are working in the following FCO departments: Aviation, Maritime, Science and Energy; Latin America and Caribbean; Near East and North Africa; North America; Resource Planning, and the Diplomatic Service Language Centre (undertaking full-time language training).

Iraqi Oil Sanction Breaches

Dr. Starkey: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what assessment he has made of whether the Governments of *(a)* Iran, *(b)* Turkey and *(c)* Jordan have acted to stop the sale in breach of UN sanctions of Iraqi oil through their territories; [120041]

(2) if he will make a statement on his Department's assessment of the volume of oil sold by Iraq in violation of UN sanctions *(a)* during 1999 and *(b)* since the start of the current year; [120039]

(3) what assessment he has made of which countries Iraqi oil is being smuggled through in breach of UN sanctions. [120040]

Mr. Hain: We remain concerned at the large amount of Iraqi oil being smuggled through the Gulf and across Iraq's land borders in breach of UN sanctions. That oil should be funding food, medicine and other humanitarian relief for the Iraqi people through the UN programme, not going into the pockets of the regime and middlemen. We therefore regularly stress the need to crack down on sanctions-busting in contacts inside and outside the region, most recently with Turkey, Iran and the UAE. We ourselves remain committed to the Multinational Interception Force in the Gulf. I welcome Iran's recent action against a number of vessels containing smuggled Iraqi oil. We want Turkey to do more: last year we proposed that the trade across its borders be brought into the UN humanitarian programme. The Jordan/Iraq oil/trade protocol, which is acknowledged by the UN in recognition of the importance to Jordan of trade with Iraq, allows Jordan to import Iraqi oil at half the market price in exchange for Jordanian civilian goods. Excluding oil sold under this Jordanian protocol, we estimate that in 1999 Iraq sold approximately 3.2 million metric tonnes of oil in breach of sanctions; for this year we estimate the figure to be approximately 2.2 million metric tonnes.

European Union

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 10 April 2000, *Official Report*, column 77W, on the European Union, if he will list the responses referred to in his reply to question 118022; how many leaflets have yet to be distributed; what was the printing cost for the undistributed leaflets; and what analysis he has made of the cause of the small number of responses. [119863]

Mr. Vaz *[holding answer 20 April 2000]:* As we received only a small number of replies to the questionnaire, we did not keep a record of responses. We have distributed most of the leaflets and will distribute the remainder over the next few months. We have not drawn any conclusions about the small number of responses.

The Gambia

Mr. McDonnell: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Government of The Gambia with regard to the recent deaths of demonstrators in pro-democracy marches. [120303]

Mr. Hain: The High Commissioner in Banjul called the Secretary of State for the Interior on 11 April to express our concern at the high number of casualties and urged the Government to ensure the security forces exercised maximum restraint, and not to fire on demonstrators. He stressed the need to maintain full respect for human rights.

On the initiative of the UK, the EU issued a declaration on 17 April seeking assurance from the Government of The Gambia that the incidents leading to these disturbances are dealt with through dialogue and in a peaceful and orderly manner. The President of The Gambia ordered a Commission of Inquiry later that same day.

The UK and the EU will continue to urge the Government of The Gambia to restrict the use of force; ensure persons detained as a result of these disturbances enjoy the protection of the law and that their rights are respected; and ensure that the inquiry is transparent, independent and free from political interference.

Israel

Dr. Starkey: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Israeli Government concerning their obligations under the UN Convention on the Rights of the Child and their arrest and imprisonment of Palestinian children aged under 15 years. [119917]

Mr. Hain: My right hon. Friend the Secretary of State has made no representations to the Israeli Government about their obligations under the UN Convention on the Rights of the Child. The Red Cross have confirmed to our Embassy in Tel Aviv that Israel does not hold any children under the age of 15 in prison.

British Embassy Vehicles (Germany)

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs what the *(a)* cost, *(b)* make and *(c)* model was of the motor vehicles purchased for use by the British Embassy in Berlin since 1 May 1997. [120550]

Mr. Vaz: Neither the British Embassy in Berlin, nor (prior to September 1999) the British Embassy in Bonn, nor the British Embassy Berlin Office, have purchased any motor vehicles since 1 May 1997. All vehicles acquired in recent years have been leased.

EU Business

Mr. Ernie Ross: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list *(a)* the forthcoming business in the Council of the European Union for May and *(b)* the major European Union events for the next six months. [120680]

Mr. Vaz: The information is as follows:

Monthly Forecast of EU Business: May 2000

This calendar is primarily concerned with European Union matters, but certain other relevant events are also included. Events and dates quoted are based on the information available on the date of issue.

May 2000

2 May—Brussels—Telecommunications Council

1. Adoption of the agenda
2. (poss.) Approval of the list of "A" items
3. Commission communication entitled "The European positions for the World Radiocommunications Conference 2000 (WRC-2000)"

   Council conclusions

   6981/00 ECO 54 AVIATION 7 TRANS 37

   7788/00 ECO 89 AVIATION 14 TRANS 58
4. Conference on Digital Terrestrial Television (DVB-T) on 17 and 18 February 2000 in Lisbon

   Presidency briefing

   7527/00 ECO 72 AUDIO 13
5. Review of the electronic communications regulatory package: outcome of the public consultation

   presentation by the Commission

   policy debate

   7754/00 ECO 87
6. (poss.) Postal services

   Commission briefing
7. Other business

   (a) Outcome of the public consultation on the "EU"

   Oral presentation by the Commission

   5971/00 ECO 26

   (b) Commission communication on the organisation of the management of the Internet

   Presentation by the Commission

   (c) Recommendation and communication from the Commission on access to the local loop, including local loop unbundling

   Presentation by the Commission

3–4 May—Brussels—European Parliament Plenary

(poss.) Proposal for a Council Decision on the conclusion on behalf of the European Community on the Food Aid Convention 1999

(poss.) Proposal for a Council regulation laying down certain control measures in respect of vessels flying the flag of non-contracting parties to the Northwest Atlantic Fisheries Organisation (NAFO)

(poss.) Proposal for a Council regulation amending the fifth time Regulation (EC) No 850/98 of 30 March 1998 for the conservation of fishery resources through technical measures for the protection of juveniles of marine organisms

Codecision procedure

First reading

(poss.) Proposal for a European Parliament and Council regulation (EC) amending Regulation 5EEC No 3528/86 on the protection of the Community's forests against the atmospheric pollution

Proposal for a European Parliament and Council regulation (EC) extending Regulation (EC) No 443/97 on operations to aid uprooted people in Asian and Latin American developing countries

8 May—Brussels—ECOFIN Council

Commission recommendation on the broad economic policy guidelines—Orientation debate

(poss.) Amendment to the UCITS Directive

(poss.) Amendment to the Money Laundering Directive

(poss.) Directive on the reorganisation and winding-up of credit institutions

Draft EU budget 2001—Orientation debate

Any other business

11 May—Brussels Health Council

15–16 May—Brussels—Agriculture Council

15–19 May—Brussels—European Parliament Plenary

16 May—Brussels—Culture Council

17 May—Brussels—EU/Russia Summit

18 May—Brussels—Industry Council

18 May—Brussels—Development Council

22–23 May—Brussels—General Affairs Council

23 May—Brussels—EEA Council

23 May—Brussels—Association Councils With Slovakia and Slovenia

23 May—Brussels—Peace Implementation Council

25 May—Brussels—Internal Market Council

29–30 May—Brussels—Justice and Home Affairs

30 May—Brussels—Energy Council

No agendas currently available

European Calendar: May-October 2000

This calendar is primarily concerned with European Union matters; but certain other relevant events are also included. Events and dates quoted are based on the information available on the date of issue.

Date	*Venue*	*Event*
May		
2	Brussels	Telecommunications Council
3–4	Brussels	European Parliament Plenary
5–7	San Miguel, Azores	Informal Meeting of Foreign Ministers
8	Brussels	ECOFIN Council
8	Lisbon	EU/New Zealand Ministerial
11	Brussels	Health Council
15–16	Brussels	Agriculture Council
15–16	Oporto	WEU Council
15–19	Strasbourg	European Parliament Plenary
16	Brussels	Culture Council
17	Moscow	EU/Russia Summit
18	Brussels	Industry Council

Date	Venue	Event
18	Brussels	Development Council
22–23	Brussels	General Affairs Council
23	Brussels	Association Councils with Slovakia and Slovenia
23	Brussels	EEA Council
23	Brussels	Peace Implementation Council
25	Brussels	Internal Market Council
25–26	Lisbon	EuroMed Foreign Ministers Meeting (Informal)
28–30	Evora	Agriculture Council (Informal)
29–30	Brussels	Justice and Home Affairs Council
30	Brussels	Energy Council
June		
5	Luxembourg	ECOFIN Council
6	Luxembourg	Social Affairs Council
7	Fiji	ACP/EU Ministerial
8	Fiji	Signing of post Lomé convention
8	Luxembourg	Education Council
13–14	Luxembourg	General Affairs Council
13–16	Strasbourg	European Parliament Plenary
15	Luxembourg	Research Council
16	Luxembourg	Fisheries Council
19–20	Luxembourg	Agriculture Council
19–20	Sta. Maria da Feira	European Council
21–23	Cyprus	3rd Euro-Mediterranean Conference of the Ministers of Industry
22–23	Luxembourg	Environment Council
26–27	Luxembourg	Transport Council
28	Lisbon	EU/India Summit
July		
3–7	Strasbourg	European Parliament Plenary
6–7	Lille	Culture Council
7–8	Paris	Social Affairs Council (Informal)
10–11	Brussels	General Affairs Council
15–16	Paris	Environment Council (Informal)
17	Brussels	ECOFIN Council
17–18	Brussels	Agriculture Council
24	Brussels	Budget Council
27	Bangkok	ASEAN Regional Forum (AFR) Ministerial
28–29	Bangkok	ASEAN Post Ministerial
28–29	Arles	Justice and Home Affairs Council (Informal)
August		
There are no Councils scheduled for this month		
September		
1–2	Evian	Gymnich
3–5	Biarritz	Agriculture Council (Informal)
6	New York	EU/Ukraine Summit
9–10	Paris (tbc)	ECOFIN Council (Informal)
18	Brussels	Telecommunications Council
18–19	Brussels	General Affairs Council
25–26	Brussels	Agriculture Council
28	Brussels	ECOFIN Council
28	Brussels	Internal Market Council
28–29	Marseilles	Justice and Home Affairs Council
October		
2	Luxembourg	Transport Council
9–10	Luxembourg	General Affairs Council
10	Luxembourg	Environment Council
13–14	Biarritz	European Council
16	Paris	EU/US Ministerial meeting
16	Paris	EU/Canada Ministerial meeting
17	Luxembourg	ECOFIN Council
19	Luxembourg	Fisheries Council
19–21	Seoul	Europe/Asia Summit
23	China	EU/China Summit
23–24	Luxembourg	Agriculture Council
25	Luxembourg	Education Council

India

Mr. McDonnell: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Indian Government concerning the recent caste-related violence aimed at the Dalit community. [120300]

Mr. Hain: We deplore all forms of discrimination, including that based on caste. We are also concerned by incidents of caste-related violence. We and our High Commission in New Delhi continue to follow this issue closely.

Mr. Spring: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he received about Kashmir prior to his visit to India. [120556]

Mr. Hain: We are aware of the concern of many people in the UK regarding the current situation in Kashmir. We hope that India and Pakistan can resume their dialogue and find a just and lasting solution to this issue.

Mr. Spring: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he had in India about the Comprehensive Test Ban Treaty. [120554]

Mr. Hain: We take every opportunity to urge India to sign and ratify the Comprehensive Test Ban Treaty, including during the Foreign Secretary's visit to India last month.

Mr. Spring: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about India's bid for a permanent seat on the UN Security Council. [120555]

Mr. Hain: The Government are committed to early enlargement of both the permanent and the non-permanent membership of the UN Security Council, including the creation of a new permanent seat for the Asian regional group. It would be for the Asian group to decide who would occupy any permanent seat allocated to them. India would clearly be a contender.

Mr. Spring: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he had about defence exports while in India. [120553]

Mr. Hain: Defence exports were among a wide range of issues discussed during the Secretary of State's visit to India.

Sudan

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received concerning violence near the Heglig oilfield north of Bentiu, southern Sudan; and if he will make a statement. [120266]

Mr. Hain: We continue to receive reports of fighting around and south of Bentiu in Unity State. We will maintain our efforts to push for a peace settlement which would end the suffering of those in the Sudan.

Export Controls (Macau)

Mr. Barnes: To ask the Secretary of State for Foreign and Commonwealth Affairs what strategic export controls the United Kingdom will apply to the Macau Special Administrative Region. [120681]

Mr. Battle: Following the return of Macau to Chinese sovereignty, we have reviewed our policy on the control of strategic exports to the Macau Special Administrative Region (MSAR).

We shall consider applications for licensing strategic exports to the MSAR on a case-by-case basis. We will not, however, issue licences for strategic exports to the MSAR for goods which we do not licence for export to mainland China. Our policy on strategic exports to mainland China is as set out by my late right hon. Friend, Derek Fatchett, on 3 June 1998, *Official Report*, columns 246–47W.

The Department of Trade and Industry will be removing Macau as a destination for Open General Licences which allow the export of Military List goods. Transhipment of goods on the Military List to the MSAR via the United Kingdom without a licence will also be prohibited. Schedule 3 of the Export of Goods (Control) Order (1994) will be amended accordingly.

HM Government's policy on strategic exports to Hong Kong remains as announced by my late right hon. Friend on 14 January 1998, *Official Report*, column 221W.

Iraq

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what recent representations he has received concerning the bombing of non-military targets in Iraq; [120610]

(2) what recent representations he has received concerning the bombing of military targets in Iraq; [120273]

(3) what plans he has to assess the effects of the continued bombing of Iraq; and if he will make a statement. [120611]

Mr. Hain: As I have told the House on many occasions, we are not conducting a bombing campaign against Iraq. UK and US aircraft continue to patrol the No Fly Zones, established in 1991 and 1992 in response to a situation of overwhelming humanitarian necessity, and in support of UN Security Council resolution 688 which called on Iraq to end its repression of the civilian population. They stop Saddam Hussein using his aircraft against his own people, as he did with such horrific consequences in the past. Since late 1998, Iraq has waged a systematic campaign to shoot our aircraft down. Direct threats against our aircrew have included missile attacks and heavy anti-aircraft fire. Our aircraft only take action when they are forced to do so to defend themselves. I am aware of claims, chiefly from the Iraqi Government, that our aircraft deliberately target civilians and civilian facilities. That is a lie. Only military targets clearly connected with the threat to our aircraft are targeted, and even then only when we are wholly satisfied that the associated risks are minimal. I am confident that our patrols prevent Saddam Hussein from adding yet more crimes to his appalling human rights record.

HOME DEPARTMENT

Sex Offenders

Miss Widdecombe: To ask the Secretary of State for the Home Department, pursuant to his answer of 6 April

2000, *Official Report*, columns 599–600W, (i) how many prisoners released on the Home Detention Curfew scheme were released on the scheme before the end of the requisite period referred to in Section 34A(3) of the Criminal Justice Act 1991 as inserted by Section 99 of the Crime and Disorder Act 1998, (ii) if any of these prisoners have been recalled to prison to serve the remainder of the requisite period, (iii) if any of these prisoners committed a further offence *(a)* between the date of their release and the end of the requisite period and *(b)* subsequently while on the scheme, and (iv) if he will place in the Library the procedure laid down by Ministers for the release of sex offenders on the Home Detention Curfew scheme. [118806]

Mr. Boateng *[holding answer 12 April 2000]:* The available information shows that, since the Home Detention Curfew scheme commenced in January 1999, 12 prisoners have been released in error before their Home Detention Curfew eligibility date. This figure includes the sex offender subject to the Sex Offenders Act 1997 referred to in the reply given to the right hon. Member by my right hon. Friend the Home Secretary on 6 April 2000, *Official Report*, columns 599–600W.

I deeply regret all of these errors, but the right hon. Member should note that they represent only 0.06 per cent. of the total of 18,736 prisoners who have been released on the scheme as of 31 March 2000.

All but one of these errors occurred before the introduction in October 1999 of the new improvements to the local inmate data system on which Home Detention Curfew eligibility and release dates are recorded by establishments. In five cases, the early releases were due to an error in manual calculation. In seven cases they were due to the prison's failure to amend the original eligibility date to take account of additional days awarded as a result of a prisoner breaching the prison disciplinary code.

Only one of these prisoners was recalled to prison to serve the remainder of the requisite period. The Prison Service has not been notified of any further offence committed by any of these prisoners either between the date of their release and the end of the requisite period or subsequently while on the Home Detention Curfew scheme.

The procedures for dealing with sex offenders subject to the Sex Offenders Act 1997 and other sex offenders are set out in paragraph 2.4 of the current Home Detention Curfew Prison Service Order 6700, issued in January 2000, a copy of which is available in the Library.

Kosovan Refugees

Miss McIntosh: To ask the Secretary of State for the Home Department what representations he has received on reimbursing local authorities for the stay of Kosovan refugees. [119220]

Mrs. Roche: We have had a number of meetings and exchanges of correspondence with local authorities over the reimbursement of additional costs related to the care of refugees evacuated from Kosovo. Local authorities were consulted on the provisions of the Special Grant (the mechanism by which we make reimbursement payments) and all who put in their interim claims (for the period to 31 December 1999) by the due date have now been paid.

Extradition

Mr. Donaldson: To ask the Secretary of State for the Home Department if he will list the legal causes upon which consent certificates were granted in extradition proceedings on account of *(a)* the extradited person making known an outstanding offence not known to the requesting authority, *(b)* the requesting authority discovering an offence which was not known to them at the time of the initial extradition request and *(c)* other reasons, in the past three years. [119715]

Mr. Straw: It is very rare to depart from the rule of specialty in respect of extradition proceedings. Formal certification to waive the rule is required only in relation to our extradition arrangements with Ireland. In the past three years I have signed four certificates. The details are as follows:

specialty was waived to allow an individual to be questioned in relation to a suspected murder following return for possession of offensive weapons. The Irish authorities had insufficient information to include it with the other offences listed in the request for the individual's return;

in the same case, a second specialty consent certificate was signed to allow the individual concerned to be proceeded against for murder, intent to rob, entering as a trespasser with intent to steal and false imprisonment;

in another case, specialty was waived to allow for an individual to be proceeded against for sex offences following return in respect of larceny and fraud-related offences. The Irish authorities had insufficient information to include it with the other offences listed in the request for the individual's return; and

specialty was waived to allow an individual to be proceeded against for a number of summary offences, following his return for causing death by dangerous driving. The summonses for these lesser offences were transmitted at the same time as the warrant for the offences of causing death by dangerous driving however they were not served on the individual for operational reasons.

Figures relating to other countries are not recorded. It is estimated that there have been three or four specialty waivers in the past three years, but exact numbers, and the reasons for them, could be obtained only with disproportionate cost.

Sopley Camp, New Forest

Mr. Swayne: To ask the Secretary of State for the Home Department what plans his Department has to make use of Sopley Camp in New Forest District. [119720]

Mr. Straw *[holding answer 19 April 2000]:* My Department holds no legal interest in Sopley Camp in New Forest District and has no plans to acquire it.

Errol Flynn

Mr. Cohen: To ask the Secretary of State for the Home Department if he will make available to the public in the Public Record Office the intelligence files relating to Errol Flynn; and if he will make a statement. [120038]

Mr. Straw: It is long-standing Government policy neither to confirm nor deny whether the security or intelligence agencies hold records on any individual.

The Security Service is systematically reviewing and where appropriate releasing historical records in accordance with the criteria agreed with the Public Records Office and endorsed by the Advisory Council. The Security Service has now reviewed and released all

its files from its archive covering the period of the First World War. The second phase of the programme of release relates to the Security Service's records covering the Second World War. The third tranche of files from this period has just been made public. The Security Service will also be reviewing in due course its inter-war records in preparation for further releases. If there was a Security Service intelligence record relating to Errol Flynn it would be reviewed as part of this process.

My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs, in a Written Answer on 12 February 1998, *Official Report*, column 324W, confirmed that the records of the Secret Intelligence Service are not released and set out the reasons for this.

Animal Experiments

Mr. Flynn: To ask the Secretary of State for the Home Department how many tests were carried out using *(a)* animals and *(b)* mammals in each of the last five years; and what is the expected number for the next two years. [120292]

Mr. Mike O'Brien: Table 1 of the annual Statistics of Scientific Procedures on Living Animals Great Britain records the number of scientific procedures by species of animal and primary purpose of the procedure. Figures are given for the number of procedures using birds, reptiles, amphibians, fish, cephalopods and octopus vulgaris as well as the number using mammals, listed by species. Overall figures for procedures using animals and mammals are as follows:

Year	*Number*
1998	2,659,662
1997	2,635,969
1996	2,716,587
1995	2,709,631

Figures for procedures using mammals are:

Year	*Number*
1998	2,381,712
1997	2,380,287
1996	2,450,138
1995	2,420,944

Figures for 1999 are in the process of being collated and are due to be published in July.

It is very difficult to project the number of animals to be used for the next two years. Numbers depend on the type of project licence applications that will be made to progress on current project licences. However, in general terms, there was a slight increase in the number of animals used during 1998 and it is possible that there could be another such increase in the 1999 figures. The main reason for this might be the increase in the use of genetically modified animals owing to current scientific advances. The downward trend in the use of conventional animals is expected to continue.

We will continue to ensure that animals are used only where fully justified—where there are no valid alternatives and where the benefits outweigh the costs to the animals involved.

Mr. Robertson: To ask the Secretary of State for the Home Department what recent research he has commissioned on carrying out experiments on animals for the purposes of research into cosmetics; and if he will make a statement. [120215]

Mr. Mike O'Brien: The Home Office itself does not commission scientific procedures involving the use of protected animals. In applying the regulatory regime set out by the Animals (Scientific Procedures) Act 1986, it assesses applications submitted.

In November 1997, we announced that no more animals would be used in this country for the testing of cosmetic products and ingredients, and we have not issued any new licences for such testing. We have no proposals to do so.

David Rocky Bennett

Dr. Gibson: To ask the Secretary of State for the Home Department what plans he has to publish the police report to enable the inquest to be held into the death of David Rocky Bennett in the Norvic Clinic, Norwich. [120137]

Mr. Charles Clarke: The Coroner has requested a police report to assist him in carrying out the inquest and any decisions about releasing the contents of such a report will be for him to make. The police investigation is still continuing.

Election Leaflets

Mr. Hawkins: To ask the Secretary of State for the Home Department if he will consult the Direct Marketing Association on the form of words in the leaflet accompanying electoral application forms at the same time as he consults it on the draft regulations covering full and edited electoral registers. [120135]

Mr. Mike O'Brien: We are committed to full consultation on both documents. The draft regulations will appear on the Home Office website as soon as they are ready. When the regulations have been finalised but before they come into effect we will consult on the wording of any publicity leaflet.

Liquor Licensing

Miss Kirkbride: To ask the Secretary of State for the Home Department what plans he has to provide additional funding to local authorities in relation to licensing functions which at present are the responsibility of magistrates; and if he will make a statement. [120651]

Mr. Straw: The White Paper on the reform of the licensing laws, published on 10 April, makes clear that any new licensing regime should be resourced on the basis of full cost recovery from the fees and charges levied. We intend consulting closely with representatives of the local authorities about the resourcing of the system.

Mr. Robertson: To ask the Secretary of State for the Home Department if he will make a statement on his plans to transfer the responsibility of liquor licensing from magistrates' licensing committees to local authorities. [120220]

Mr. Mike O'Brien: The arguments for this change are set out in Chapter 11 of our White Paper, "Time For Reform", which was laid before Parliament on 10 April. We shall welcome and take into account comments on the White Paper in working up legislative proposals.

Efficiency Unit

Mr. Lidington: To ask the Secretary of State for the Home Department if he will place in the Library the Cabinet Office Efficiency Unit Comprehensive Spending Review report submitted to the Home Office in 1998. [120275]

Mr. Straw: The Comprehensive Spending Review, which set out the Government's new public spending plans 1999–2000, was published in the White Paper 'Modern Public Services for Britain: Investing in Reform', in July 1998. This document is available in the Library.

Challenging targets were set by this document for a number of key services including the Police and the Fire Service. These included efficiency targets and annual efficiency plans. The Home Office is also committed to meeting a number of efficiency targets as set out in the Public Service Agreements, 'Public Services for the Future: Modernisation, Reform, Accountability—Comprehensive Spending Review: Public Service Agreements 1999–2002'. This document is currently available in the Library.

The Public Service Agreements and the Output and Performance Analysis for the Home Office are published in the annual Business Plan. The most recent Home Office Business Plan is also available in the Library.

Electronic Tagging

Mr. Lidington: To ask the Secretary of State for the Home Department, pursuant to his answer to the right hon. Member for Maidstone and The Weald (Miss Widdecombe) of 17 April 2000, *Official Report*, columns 375–76W, if he will list the offences that are committed by prisoners who are at the lower end of the offending scale within the category of prisoners eligible for parole, and who will be released earlier than at present, under the provisions of the Criminal Justice and Court Services Bill, how many prisoners received sentences of four years or more for such offences in each of the last five years; and if he will make a statement. [120293]

Mr. Straw: There are no provisions in the Criminal Justice and Court Services Bill which require any prisoner to be released earlier than at present. The Bill makes no changes to the date on which any prisoner becomes eligible for release.

The judgment as to whether a particular prisoner is regarded as being at the lower end of the offending scale within the category of prisoners eligible for parole cannot be determined simply by reference to the index offence. The details of the offence, the length of the sentence, the previous convictions of the prisoner, the impact on the victim (if any) and other factors will all be relevant. It is therefore not possible to list the offences that are committed by prisoners who are at the lower end of the offending scale, nor to list how many prisoners have received sentences of four years or more for such offences in each of the last five years.

Equally, it is not possible at this stage to predict which of these prisoners might be granted parole following implementation of the Criminal Justice and Court Services Bill who would not otherwise have received parole. The use of the new licence conditions will be subject to piloting before full implementation. Evaluation of the pilots will include consideration of the impact of the new licence conditions on discretionary release decisions taken by the Parole Board and by the Prison Service, on behalf of the Secretary of State.

Coroners Courts

Mr. Robertson: To ask the Secretary of State for the Home Department if he will make a statement regarding his review of the workings of coroners' courts. [120217]

Mr. Straw: The current Home Office review of death certification procedures includes consideration of a role for coroners in monitoring the proper procedures after death. The work of the review is to be made available later this year to Lord Laming's Inquiry into the issues arising from the trial of Dr. Shipman. There may consequently be a need in due course to review coroner arrangements more widely.

Asylum Seekers (Torbay)

Mr. Steen: To ask the Secretary of State for the Home Department what extra provision he plans to make for accommodating asylum seekers in the Torbay Unitary Authority; how many asylum seekers he estimates will be placed in that area in the next 12 months; and if he will make a statement. [120342]

Mr. Straw: Since 3 April 2000, any local authority that signs a contract with the National Asylum Support Service (NASS) to provide accommodation for asylum seekers will submit an invoice for payment. The local authority will be reimbursed by the Home Office in accordance with the terms of the contract.

Although Torbay is considered a potential cluster area to accommodate destitute asylum seekers and their families, there are no immediate plans to disperse asylum seekers to Torbay. The National Asylum Support Service is unable to consider dispersal to a particular area until there is suitable accommodation available.

City Status

Mr. David Stewart: To ask the Secretary of State for the Home Department if he will make a statement on the timescale of the award of city status in the UK. [120225]

Mr. Mike O'Brien: Thirty-nine applications have been received for the Millennium grant of city status from towns in the United Kingdom. Each application is being considered on its individual merits and in the light of all information submitted in its support. No date has yet been set for the announcement of the new city.

WALES

Regulation of Investigatory Powers Bill

Mr. Cohen: To ask the Secretary of State for Wales if he will make a statement on his policy in respect of the use his Department, its agencies and public bodies will

make of the powers relating to the authorised obtaining of communications data in Part I, Chapter II of the Regulation of Investigatory Powers Bill once the Bill is enacted. [119520]

Mr. Paul Murphy: I refer my hon. Friend to the reply given by my right hon. Friend the Home Secretary on 19 April 2000, *Official Report*, column 509W.

Knowledge-based Economy (Deeside)

Mr. Barry Jones: To ask the Secretary of State for Wales what recent discussions he has had with the First Secretary concerning the development of the knowledge-based economy in Deeside. [118186]

Mr. Paul Murphy: I have regular meetings with the First Secretary and discuss a wide range of issues including the knowledge economy.

The Government and the National Assembly for Wales recognise the importance of putting to productive commercial use more of the knowledge and technologies that lie within our universities and colleges. For example, Wales leads the rest of the UK in introducing the Colleges and Businesses in Partnership scheme, under which businesses undertake strategically important developments with the benefit of access to relevant academic expertise from the further education sector.

Artefacts

Mr. Flynn: To ask the Secretary of State for Wales what plans he has to seek the return to Wales of historical Welsh artefacts that are located elsewhere. [120294]

Mr. Hanson: I have no plans at present to seek the return of historical Welsh artefacts that are located elsewhere. However I am pleased that the people of Wales will have the opportunity over the next few months to see the Pennal letter which is on loan to the Owain Glyndwr Exhibition at the National Library of Wales in Aberystwyth.

INTERNATIONAL DEVELOPMENT

Drought (Kenya and Ethiopia)

Mr. Streeter: To ask the Secretary of State for International Development what estimate she has made of the number of people affected by drought in *(a)* Kenya and *(b)* Ethiopia. [118818]

Clare Short: The World Food Programme estimate that 1.6 million people in Kenya and eight million in Ethiopia may require emergency food assistance owing to drought.

Ethiopia

Mr. Robertson: To ask the Secretary of State for International Development what recent discussions she has had with her counterparts in European Union member states regarding the provision of food and other aid to Ethiopia; and if she will make a statement. [120216]

Clare Short: The EU is the largest single donor of food aid to Ethiopia—more than 400,000 metric tonnes (MT) has been pledged for this year; almost 47,000 MT has already been delivered to Djibouti. Britain contributes 17 per cent. of the cost of this food. My officials are in close contact with EU officials to monitor the delivery and distribution of EU food and non-food assistance in the current crisis.

Mr. Robertson: To ask the Secretary of State for International Development if she will make a statement on how the food aid she is providing to Ethiopia will be distributed. [120213]

Clare Short: Our food aid is targeted at those populations most affected by recurrent rain failures, food insecurity, conflict and environmental degradation. This year we have provided over 22,000 metric tonnes of food aid bilaterally for vulnerable people in both the north and south of the country. This has been channelled through international non-governmental organisations who often work in partnership with the regional offices of the Disaster Prevention and Preparedness Commission.

Birth Certificates

Mr. Caton: To ask the Secretary of State for International Development for what purposes her Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120316]

Clare Short: I refer my hon. Friend to the written answer given by my hon. Friend the Under-Secretary to the hon. Member for Richmond Park (Dr. Tonge) on 6 May 1999, *Official Report*, column 463W.

CABINET OFFICE

Websites

Mr. Maclennan: To ask the Minister for the Cabinet Office which companies have placed advertisements on websites funded by her Department, agencies and non-departmental public bodies; how much revenue has been generated in each financial year since 1997 from such advertisements; and to what use the revenue raised has been put. [118844]

Mr. Stringer: No revenue has been received for advertising or sponsorship on the Cabinet Office website or that of its current agency—Government Car and Despatch Agency (GCDA); or on that of the Central Office of Information (COI). The Cabinet Office has no executive NDPBs and the figures for its NDPBs are included in the Department's return. The Cabinet Office does not take advertising on its departmental website (www.cabinet-office.gov.uk) and currently has no plans to do so.

Birth Certificates

Mr. Caton: To ask the Minister for the Cabinet Office for what purposes her Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120323]

Mr. Stringer: A birth certificate or similar documentary evidence may be required to be furnished by any of the above for one or more of the following reasons:

proof of identity;

proof of eligibility under the Civil Service nationality rules;

proof of age.

Departmental Running Costs

Mr. Lansley: To ask the Minister for the Cabinet Office what meetings she has had with ministerial colleagues to discuss the increase in the overall running costs of Government Departments. [119955]

Marjorie Mowlam: I refer the right hon. Member to the answer given by my hon. Friend the Chief Secretary to the Treasury on 20 April 2000, *Official Report*, column 638W.

Anti-drugs Strategy

Mr. Lansley: To ask the Minister for the Cabinet Office what progress the Government are making on their targets for reducing drug abuse by young people. [119975]

Mr. Ian McCartney: Young people are the main focus of the Government's anti-drug strategy. One of our key objectives is to reduce the incidence of drug misuse among the under-25s in order that they can achieve their full potential in society. The Cabinet Office, through the UK Anti Drugs Co-ordination Unit, is working with the relevant Government Departments to ensure that young people receive the help and advice they need to resist drug misuse.

For example, £7.5 million from the Standards Fund is spent each year on drugs education in primary and secondary schools and new DfEE guidance on effective drugs education was published in November 1998. Almost nine out of 10 secondary schools now have anti-drugs policies in place. In April 1999 the Drugs Prevention Advisory Service was created to provide expert advice and support to Drug Action teams and in November 1999 the Drugs Prevention Board was established to help co-ordinate prevention work at a national level. In March a new joint initiative between UKADCU, Sport England and the Youth Justice Board was announced, using money seized from convicted drug dealers and traffickers to fund projects which aim to prevent vulnerable young people from becoming involved in drugs and crime.

Progress against the targets will be measured through the British Crime Survey (16 to 24-year-olds) and the Office for National Statistics schools survey.

Mr. Lansley: To ask the Minister for the Cabinet Office what progress is being made by the Government in establishing a baseline figure from which progress in meeting its targets on reducing drug abuse among young people can be measured. [119958]

Mr. Ian McCartney: Baseline figures for the number of young people using drugs will be taken from the British Crime Survey and the new national survey of drug use among young teenagers, which started in September 1999. Baseline figures will be published in the UK Anti-Drug Co-ordinator's annual report in the summer.

Monitoring Unit

Mr. Lansley: To ask the Minister for the Cabinet Office what the cost of the Government Information and Communications Service Media Monitoring Unit was in 1999–2000. [120013]

Mr. Stringer: £535,000, subject to final reconciliation of outstanding invoices. These costs are recovered from a large number of Departments out of their existing funds. The Cabinet Office contribution is £25,000.

Rural Banking and Postal Services

Mr. Lansley: To ask the Minister for the Cabinet Office what representations she has received in relation to her role as Chair of the Ministerial Group on Rural Affairs concerning the loss of banking and postal services in rural areas. [119981]

Marjorie Mowlam: On the issue of banking I refer the hon. Member to the reply given by my hon. Friend the Economic Secretary on 20 March 2000, *Official Report*, column 445W. I have received a number of representations, which I have discussed with ministerial colleagues as appropriate.

Centre for Management and Policy Studies

Mr. Lansley: To ask the Minister for the Cabinet Office what the cost or net revenue of the International Consultancy Group within the Centre for Management and Policy Studies is planned to be in the current financial year. [120023]

Mr. Stringer: In the financial year 2000–01, the International Consultancy Group (ICG) plans to generate a revenue of £2,300,000. The direct cost of the ICG for the same year is planned to be £1,961,000. The contribution to the costs of the Centre for Management and Policy Studies by the ICG will therefore be £339,000.

Mr. Lansley: To ask the Minister for the Cabinet Office if she will make a statement on the role of the International Consultancy Group within the Centre for Management and Policy Studies. [120022]

Mr. Stringer: The International Consultancy Group (ICG) was established in 1996 to co-ordinate the Civil Service College's developing portfolio of international public service assignments. The current role of ICG, now within the Centre for Management and Policy Studies (CMPS), is to work internationally to help create sustainable capacity for the modernisation of public administration.

ICG's current priorities include the need to develop the skills and capacities of senior civil services in Accession States as they negotiate with and join the European Union; and technical assistance to emerging democracies and democracies in transition as they seek to strengthen central co-ordination and service delivery in public administration.

Mr. Lansley: To ask the Minister for the Cabinet Office if she will make a statement on the work of the Centre for Management and Policy Studies. [119935]

Mr. Stringer: The Centre for Management and Policy Studies (CMPS), which was established in June 1999 and incorporates the Civil Service College, is integral to the process of modernising government. The CMPS works to ensure that the Civil Service is cultivating the right skills, culture and approaches to perform its task; to ensure that policy makers across government have access to the best research, evidence and international experience; and to help government to learn better from existing policies.

Examples of recent CMPS activity include programmes of joint seminars for Ministers and officials; developing a Resource Centre to support policy making, through the use of evidence and research; and comprehensive programmes of training reflecting all aspects of the Modernising Government agenda delivered by the Civil Service College.

Departmental Targets

Mr. Lansley: To ask the Minister for the Cabinet Office if she will *(a)* list the targets set by her Department and *(b)* make a statement on her Department's work to meet the targets. [119951]

Mr. Stringer: The targets set for my Department are all listed in the publication "Public Service Agreements 1999–2002" (CM 4181) which is available in the Library.

The work carried out by my Department to meet these targets during 1999–2000 is described in Chapter 2 of the Cabinet Office's annual report to Parliament "The Government's Expenditure Plans 2000–01 to 2001–02" (CM 4618) which was laid before Parliament on 10 April 2000. This report also contains summary information of the performance of COI and my Department's only agency, the Government Car and Despatch Agency (GCDA).

Full details of performance targets for COI, and its progress against them, can be found in COI's annual reports. The last report was published in July 1999 by the Stationery Office (ISBN: 0–10–273199–3).

Similarly, full details of performance targets for GCDA, and its progress against these targets, can be found in GCDA's annual reports. The last report was also published in July 1999 by the Stationery Office (ISBN: 0–10–280899–6).

Accommodation

Mr. Lansley: To ask the Minister for the Cabinet Office what the objectives are of the Cabinet Office new accommodation project. [120026]

Mr. Stringer: The objective of the new accommodation project is to accommodate the great majority of Cabinet Office staff in 70 Whitehall and one other central London building. The inter-connected Admiralty Arch, Ripley Building and Kirkland House will thus become the Department's second London home. Cabinet Office staff are currently accommodated in a number of central London buildings, some of which are on leases nearing expiry.

The project is an integral part of Sir Richard Wilson's review of the Cabinet Office announced by my right hon. Friend the Prime Minister on 28 July 1998. As well as providing modern office accommodation, the project also brings into beneficial use three Government-owned buildings (two of which are Grade 1 listed) which had become empty and were in danger of falling into disrepair.

Departmental Staff

Mr. Lansley: To ask the Minister for the Cabinet Office what proportion of Cabinet Office Staff at Grade 7 and above are *(a)* women, *(b)* from ethnic minorities and *(c)* disabled. [120027]

Mr. Stringer: The proportion of Cabinet Office staff at Grade 7 and above who are *(a)* women is 29 per cent., *(b)* from ethnic minorities is 2.06 per cent and *(c)* disabled is 0.3 per cent. Information on whether staff are from an ethnic minority background or are disabled is collected on a voluntary basis.

"Modernising Government"

Mr. Lansley: To ask the Minister for the Cabinet Office if she will publish the departmental action plans for corporate human resource systems intended to follow up the "Modernising Government" White Paper. [120007]

Mr. Ian McCartney: The "Modernising Government" White Paper does not mention departmental action plans for corporate human resource systems.

The White Paper noted that the Government would publish a substantial progress report on modernising the Civil Service later in the year. Sir Richard Wilson's report to the Prime Minister on Civil Service Reform was then published on 15 December 1999.

A progress report covering the whole Civil Service Reform programme will be published in autumn 2000.

Advertising

Mr. Lansley: To ask the Minister for the Cabinet Office how much money was spent on advertising by the Cabinet Office in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98, *(d)* 1998–99 and *(e)* 1999–2000. [119974]

Mr. Stringer: The Cabinet Office, including its Agencies, spending on advertising over those years is as follows: *(a)* £114,145 *(b)* £222,714 *(c)* £143,870 *(d)* £138,400 *(e)* £262,237.

Expenditure for 1999–2000 does not include advertising by Cabinet Office/Action 2000 on co-ordinating the Millennium Bug Information programmes.

Ministerial Group on Rural Affairs

Mr. Lansley: To ask the Minister for the Cabinet Office if she will list the meetings she has had in pursuance of her role as Chair of the Ministerial Group on Rural Affairs. [119964]

Marjorie Mowlam: Rural issues are discussed during a great many of the meetings I have, including meetings of the Cabinet Committee on Rural Affairs (MISC 8), meetings with national organisations, such as the Council for the Preservation of Rural England and the Countryside Agency, meetings with officials, and meetings with individuals and local organisations in the course of visits.

Civil Service

Mr. Lansley: To ask the Minister for the Cabinet Office if she will list the additional functions to be carried out consequent upon the planned increase in Civil Service staff in her Department between 1999–2000 and 2000–01. [120012]

Mr. Stringer: The planned average manpower figures for my Department and Agencies are detailed in table 6.4 (page 90) of the Cabinet Office's annual report to

Parliament (The Government's Expenditure Plans 2000–01 to 2001–02) (CM 4618) which was laid before Parliament on 10 April 2000.

Between the years 1999–2000 and 2000–01 these show the following planned changes to be:

	1999–2000	*2000–01*	*Change*	*Percentage*
Cabinet Office	1,401	1,457	56	4.0
Security Facilities Division	426	136	−290	−68.1
Centre for Management and Policy Studies	240	284	44	18.3
Government Car and Despatch Agency	305	307	2	0.7
Total	2,372	2,184	−188	−7.9
Central Office of Information	361	400	39	10.8

The table in the annual report also included information on the Agencies that transferred to the new Office for Government Commerce (HM Treasury) on 1 April.

The reasons for the planned 4 per cent. increase in manpower in the central groups of the Cabinet Office, include:

The establishment of the new Office of the e-Envoy to co-ordinate the Government in leading the UK in its drive to be the best place in the world for e-commerce.

The development of the Regulatory Reform Bill which was announced in the Queen's Speech and published on 18 April 2000.

The need to find ways to reduce the regulatory burden on the public sector. Four key areas have been identified, Criminal Justice, Health (GPs), Education (Schools) and local authorities.

A small additional resource to drive through the Civil Service Reform programme—in particular, a new Mobility Unit to broker interdepartmental moves. The new Senior Adviser on Diversity and Equal Opportunities. And support to the new House of Lords Appointments Commission.

The development of excellence in public sector websites by developing and implementing the Government Website Guidelines under the E-Government Strategy. Including the development and management of the Citizen Portal programme.

Additional policy development work arising from the publication of the E-government strategy and the need to embed its provisions and the development of e-business strategies across government and the wider public sector.

Specialist project management teams to supervise a series of cross-cutting technical projects to be funded by the Capital Modernisation Fund. These projects include the development of gateway and portal facilities to support UK Online and to develop the range of services available and wider interoperability on the Government Secure Intranet business solutions, handling public inquiries and correspondence, IT services, etc.)

More effective support to Cabinet Committee business, and to continue the Cabinet Committee business, and to continue the Cabinet Secretariat's traditional role of supporting policy development by Cabinet and Cabinet Committees.

The reduction of 68 per cent. in the planned manpower at the Security Facilities Division is due to the continued run down of this former Agency. The major reduction is due to the contracting out of the Custody Services, the transfer of Assessment and Development Staff to the Home Office and a reduction in Special Services Group (Operations).

The Centre for Management and Policy Studies (CMPS) was formed in 1999–2000 and its manpower was only planned to be fully established with the merger of the Civil Service College from 1 April 2000. The new functions provided by CMPS from this year will include:

Ministers' Programmes: the design and delivery of induction and development opportunities for Ministers.

Corporate Development Strategy: the creation and implementation of a strategy for the development of senior civil servants, with an expanded range of programmes.

Departmental Peer Review: reviews of Government departments by external teams of departments.

Policy Seminars: the design and delivery of joint seminars with Ministers and senior officials to examine policy issues.

Policy Evaluation: the identification and promotion of best practice in the construction, development and implementation of policy.

Policy Research: the design and production of 'Knowledge Pools', drawing together the evidence on which policy is based from diverse sources.

Policy Resource Centre: delivering an entry point to a government wide knowledge centre drawing upon departmental resources.

Knowledge Network project; the design and delivery of a system to deliver fast, accurate flows of knowledge, facts and figures on policy across government.

The number of staff are increasing at the Central Office of Information due to significant increases in the volume of work. The numbers of staff reflect the increased business levels over the last two years. Manpower resources have been trailing behind this increase and the forecast for 2000–01 therefore assumes a similar level of increased business.

Ministerial Red Boxes

Mr. Gray: To ask the Minister for the Cabinet Office when she last reviewed the guidance concerning the security of ministerial red boxes on public transport. [120748]

Mr. Stringer: Ministers are given security briefings which include guidance on the secure handling of all sensitive Government information. All guidance is kept under continuous review.

Hotel and Catering Industry

Mr. Fearn: To ask the Minister for the Cabinet Office when Lord Haskins' report on regulations in the hotel and catering industry will be published. [120379]

Mr. Stringer: The Better Regulation Task Force's report on regulation and enforcement in the hotel and restaurant sector will be published in June.

EDUCATION AND EMPLOYMENT

School Spending (Cumbria)

Dr. Jack Cunningham: To ask the Secretary of State for Education and Employment what estimate he has made of spending per pupil in real terms in *(a)* primary schools and *(b)* secondary schools in Cumbria in (i) 1997–98, (ii) 1998–99 and (iii) 1999–2000; and if he will make a statement. [115068]

Ms Estelle Morris *[holding answer 20 March 2000]:* The following table shows the education standard spending assessment (SSA) per primary and secondary pupil and the DfEE special and specific grant allocations per primary and secondary pupil for the years 1997–98 to 2000–01 for Cumbria Local Education Authority. The special and specific grant totals include the money for schools announced in the Budget on 21 March.

£

	Standard Spending Assessment		*Special and Specific Grants*	
	per primary pupil	*per secondary pupil*	*per primary pupil*	*per secondary pupil*
1997–98	2,022	2,644	36	29
1998–99	2,133	2,774	84	69
1999–2000	2,255	2,887	143	98
2000–01	2,357	3,032	275	209

Asylum Seekers

Mr. Evans: To ask the Secretary of State for Education and Employment how much his Department spent directly or indirectly on asylum seekers in *(a)* 1995, *(b)* 1996, *(c)* 1997, *(d)* 1998 and *(e)* 1999; and what estimate has been made of expenditure in the year 2000. [119486]

Ms Hodge *[holding answer 17 April 2000]:* The Home Office will be responding to this Question on behalf of Government as a whole, using information that we have provided to them.

Schools Funding

Dr. Cable: To ask the Secretary of State for Education and Employment if he will list the separate ringfenced schemes for funding schools directly from his Department. [119744]

Ms Estelle Morris: Most ringfenced funding, including the Standards Fund and funding for capital work, is paid via Local Education Authorities, not directly to individual maintained schools. Non-maintained special schools and voluntary-aided schools do receive some capital funding direct from the Department. For 2000–2001, around 75 per cent. of the £1.6 billion expenditure supported through the Standards Fund must be devolved to schools. In addition, schools will receive a share of the £290 million funding increase announced in the Budget and of the £50 million for general support of school budgets. These additional amounts will be paid to Local Education Authorities but must be fully passed on to schools.

Special Educational Needs

Mr. Boswell: To ask the Secretary of State for Education and Employment what the current average cost is of preparing a statement of special educational needs. [119323]

Jacqui Smith *[holding answer 19 April 2000]:* Information on the cost of preparing a statement of special educational needs is not collected centrally. The Code of Practice on the Identification and Assessment of Special Educational Needs sets out that LEAs must identify and make a statutory assessment of those children for whom they are responsible who have special educational needs and who may need a statement. However, LEAs and schools do not account separately for special educational provision, including specific information on preparation of statements. The differential between local practices means any estimated costs would be based on assumptions and cost apportionments.

St. Gregory's, Cheltenham

Mr. Nigel Jones: To ask the Secretary of State for Education and Employment when he expects his Department to make a decision on the disposal of school property at St. Gregory's in Cheltenham. [120038]

Jacqui Smith: I am considering this case and expect to be able to make a decision shortly.

Age Diversity in Employment

Ms Perham: To ask the Secretary of State for Education and Employment when he plans to publish the preliminary report on monitoring the effectiveness of the Code of Practice on Age Diversity in Employment. [119844]

Ms Hodge: We will shortly be receiving the results from the second wave of research which was carried out earlier this year. We will be publishing the interim findings of the evaluation in early June.

Teenage Girls Report

Mr. Lansley: To ask the Secretary of State for Education and Employment when the Women's Unit will publish its report on teenage girls. [120010]

Ms Jowell *[holding answer 20 April 2000]:* I refer the hon. Member to my answer of 10 April 2000, *Official Report*, column 41W.

Nursery Education

Mr. Coaker: To ask the Secretary of State for Education and Employment what plans he has to increase the funding of education for three-year-olds in areas of need outside the inner cities. [120122]

Ms Hodge: Between September 1999 and April 2001 we have allocated £140 million to provide an additional 83,000 free early education places for three-year-olds, on the basis of each Local Education Authority's position on the Government's Index of Local Deprivation. A further £250 million has been allocated for 2001–02 to take the total number of new free places created to 190,000 by March 2002.

The methodology that will be used to allocate these places in 2001–02 will be decided once we have had an opportunity to evaluate the progress of the scheme across all authorities this year. However, those authorities who have so far received low levels of funding are likely to see increases in their allocation in 2001–02.

Mr. Coaker: To ask the Secretary of State for Education and Employment what assessment he has made of the availability of funding from his Department for three-year-olds in *(a)* the maintained and *(b)* the voluntary sectors. [120138]

Ms Hodge: The Government are making available grants of £390 million over three years (from September 1999-March 2002) to almost double the number of three-year-olds in free early education places. In 1999–2000, the first tranche of Local Education Authorities which benefited from £40 million of this new money funded over 80 per cent. of the new free places in the private, voluntary and independent sectors.

Prior to this new funding being available, as of January 1999, 37 per cent. of three-year-olds were receiving free early education in the maintained sector funded from each Local Education Authority's Standard Spending Assessment budget.

Children outside Mainstream Education

Dr. Cable: To ask the Secretary of State for Education and Employment how he intends to make further use of information and communication technologies in the education of children unable to attend mainstream schooling through *(a)* disability, *(b)* illness, *(c)* behavioural problems and *(d)* neglect. [120196]

Jacqui Smith: Information and communication technologies (ICT) can facilitate effective communication and give access to resources regardless of the learners' location and individual needs. The Government are committed to exploiting the benefits and advantages of ICT in developing learning in a range of settings, as described.

The developing National Grid for Learning (NGfL) has a specific remit to encourage the inclusion of all pupils—in particular, those with Special Educational Needs (SEN), the disadvantaged, and any children who, for whatever reason, are not being educated at school. Recent developments include the new Inclusion website which is currently focusing on SEN and provides teachers, parents and other professionals with a catalogue of on-line resources.

My Department encourages Local Education Authorities to use ICT in supporting sick children. We have also made £95,000 available in 1999–2000 to provide lap tops for hospital and home tuition services.

Using the Standards Fund, a number of LEAs are piloting innovative ICT projects to support inclusion and reduce exclusions and the incidence of difficult behaviour. We will be evaluating these projects and will aim to disseminate good and best practice arising from them.

The Department is sponsoring a pilot project (Notschoolnet) on the use of ICT to support groups of pupils excluded from school. The pilot includes the provision of ICT equipment and facilitators providing on-line support for students at home or other locations. We have also funded major trials of digital broadcast material, which have been taking place in schools and with independent learners over the last few months.

Dr. Cable: To ask the Secretary of State for Education and Employment if he will consult internet companies about providing educational assistance for children unable to take part in mainstream education. [120199]

Jacqui Smith: The Government are investing over £1.7 billion in their information and communications technology (ICT). My Department and the British Educational Communications and Technology agency (BECTa) are in regular contact with all those involved in the provision of ICT education materials.

We have issued a challenge document, "Open for Learning, Open for Business", which calls for a national effort to develop content for the Grid under a framework offering access and education resources for both mainstream and special schools. On 10 April we held a major conference which focused on the ICT content (software) industry to discuss the way forward with companies who are linked to the National Grid for Learning.

New Deal for Schools

Mr. Hesford: To ask the Secretary of State for Education and Employment how many schools will benefit from the New Deal for Schools in 2000–01. [120084]

Jacqui Smith: Over 6,000 schools will benefit from the £600 million of New Deal for Schools funding announced on 11 April. We would expect most of these schools to benefit in 2000–01.

Grant-maintained Schools

Mr. Clappison: To ask the Secretary of State for Education and Employment how many *(a)* teachers and *(b)* classroom support staff have been employed by (i) former grant-maintained primary schools and (ii) former grant-maintained secondary schools in each of the last five years. [120258]

Ms Estelle Morris: The available information on numbers of teaching staff and educational support staff in former grant-maintained primary and secondary schools is shown in the table.

The Department is currently collecting information on teaching and education support staff in maintained primary and secondary schools for January 2000. These data will be published in a statistical volume in September.

Number of schools, full-time equivalent [1] number of teachers and education support staff for grant-maintained primary and secondary schools for 1995–99 in England

Position as at January

	Grant maintained primary			Grant maintained secondary		
	Number of schools	*Number of teachers*	*Number of education support staff* [2]	*Number of schools*	*Number of teachers*	*Number of education support staff* [2]
1999	511	6,141.0	2,100.7	668	39,270.9	6,003.2
1998	508	6,017.2	1,925.8	667	38,759.4	5,697.4
1997	483	5,722.4	1,689.1	652	37,527.1	5,210.2
1996	448	5,266.4	1,434.2	642	36,175.1	4,725.6
1995	410	4,824.5	1,173.7	622	34,896.2	4,286.6

[1] Includes full-time and full-time equivalent of part-time staff
[2] Includes nursery assistants, special needs support staff, librarians and technicians

Education Spending (Stoke-on-Trent)

Mr. Stevenson: To ask the Secretary of State for Education and Employment what was the *(a)* standard spending assessment and *(b)* total estimated spending per head in Stoke-on-Trent local education authority in each of the years 1998–99 and 1999–2000; and what estimate he has made of comparable figures for 2000–01. [120397]

Ms Estelle Morris: The table shows the total education standard spending assessment (SSA), the education standard spending assessment (SSA) per pupil and the DfEE special and specific grant allocations per pupil for the years requested for Stoke-on-Trent local education authority. The special and specific grant totals includes the money for schools announced in the Budget on 21 March.

	Total SSA (£ million)	*SSA per pupil (£)*	*Special and specific grant per pupil (£)*
1998–99	95.93	2,437	68
1999–2000	99.48	2,560	122
2000–01	104.17	2,703	241

Ofsted Inspections

Mr. Winnick: To ask the Secretary of State for Education and Employment (1) what measures he has in place to reduce the stress to teachers caused by Ofsted inspections; and if he will make a statement; [120221]

(2) what complaints his Department has received in the last two years from *(a)* unions and *(b)* individuals about Ofsted inspections; what response has been made by Ofsted to these complaints; and what changes in inspection practices have been made as a result; [120222]

(3) what lessons have been learned by Ofsted regarding the suicide of Ms Pamela Relf; and if he will make a statement. [120223]

Ms Estelle Morris: These are matters relating to the responsibilities of Her Majesty's Chief Inspector of Schools, Chris Woodhead. I have asked him to write to my hon. Friend and to place a copy of his letter in the Library.

AGRICULTURE, FISHERIES AND FOOD

Abattoirs

Sir Peter Emery: To ask the Minister of Agriculture, Fisheries and Food what measures he is taking to assist small and specialist abattoirs in Devon. [118501]

Ms Stuart: As responsibility for food safety and standards matters has now passed to the Food Standards Agency (FSA) which reports to Parliament through Health Ministers, I have been asked to reply.

I am advised by the Food Standards Agency that it recognises the difficulties faced by the meat industry, especially small businesses, as a result of increased veterinary supervision levels and the associated costs. Equally, it understands very well the importance of local slaughtering facilities and it is certainly not its intention to put out of business smaller operations, particularly those specialising in a high quality product.

A number of measures have been put in place to help small and medium sized abattoirs. These include the freezing of Meat Hygiene Service hourly rates in 1999–2000 at 1998–99 levels (worth £7 million) and restricting the increase in 2000–01 to no more than the rate of inflation (2.2 per cent.), and the deferment of charges for SRM controls for a further two years until 2002–03 at the earliest (worth £44 million). Following advice received from the European Commission, the Meat Hygiene Service is reviewing its levels of inspection in individual low throughput (permanently derogated) premises. In the meantime, no increases in veterinary supervision levels in such premises have been made since the Commission's advice was received last May, nor will there be any changes made until that review has been completed.

We have accepted, or are giving further consideration to, 32 of the 35 recommendations of the Meat Industry Red Tape Working Group and, as my right hon. Friend the Prime Minister confirmed at the agriculture summit on 30 March, the Government are pressing on urgently with their implementation. Steps are being taken to secure changes in the European Union meat hygiene and charging legislation in line with the Group's recommendations but this will inevitably take time to achieve. In the meantime, a small independent task force has been set up, as recommended by the Group, to explore all the issues surrounding a "capping" approach to meat

hygiene inspection charges for low volume abattoirs. The task force, chaired by Colin Maclean, former Director-General of the Meat and Livestock Commission, held its first meeting on 6 April and is due to report by 31 May.

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what representations he has recently received concerning the future of small abattoirs; and what action he is taking to ensure their survival. [116251]

Ms Stuart: As responsibility for food safety and standards matters has now passed to the Food Standards Agency (FSA) which reports to Parliament through Health Ministers, I have been asked to reply.

Since publication of the Government's response to the report of the Meat Industry Red Tape Working Group, the Minister of Agriculture, Fisheries and Food and, from 1 April, the Food Standards Agency, has received a number of representations from a wide variety of sources about the future of small abattoirs. The Minister of Agriculture, Fisheries and Food recently replied to an open letter from 136 organisations about the impact of meat inspection charges on small and medium sized abattoirs, copies of which are available in the Library.

I am advised that the Food Standards Agency recognises the difficulties faced by the meat industry, especially small businesses, as a result of increased veterinary supervision levels and the associated costs. We also understand the importance of local slaughtering facilities.

A number of measures have been put in place to help small and medium sized abattoirs. These include the freezing of Meat Hygiene Service (MHS) hourly rates in 1999–2000 at 1998–99 levels (worth £7 million) and restricting the increase in 2000–01 to 2.2 per cent., in line with the rate of inflation and the commitment made by us last year. Charges for enforcement of specified risk Material controls have been deferred until 2002–03 at the earliest (worth £22 million). Following advice received from the European Commission, the MHS is reviewing its levels of inspection in individual low throughput (permanently derogated) premises. No increases in veterinary supervision levels in such premises have been made since the Commission's advice was received last May. No changes will be made until that review has been completed.

In addition, we have adopted, or are giving further consideration to, 32 of the 35 recommendations of the Meat Industry Red Tape Working Group. We are pressing on with their implementation as was confirmed by my right hon. Friend the Prime Minister at the agriculture summit on 30 March. Steps are being taken to secure changes in the European Union meat hygiene and charging legislation in line with the Group's recommendations and discussions are underway in Brussels. The Food Standards Agency has also acted on the Group's recommendation and has set up a small task force to explore all the issues surrounding a 'capping' approach to meat hygiene inspection charges for low volume abattoirs. Its membership and working arrangements were announced in a Food Standards Agency press release on 11 April, copies of which are available in the Library.

Mr. Luff: To ask the Minister of Agriculture, Fisheries and Food for what reason the "Action Plan for Farming", published on 30 March, contains no proposals to assist the re-establishment of abattoir facilities in areas that have lost such facilities; and if he will make a statement. [117697]

Ms Quin: Assistance for the re-establishment of abattoir facilities was not included in the "Action Plan for Farming" published on 30 March because the Government have already put in place a number of measures to help this sector.

Veterinary supervision levels in low throughput (permanently derogated) abattoirs have been frozen at May 1999 levels pending completion of a review of supervision levels in such plants following advice from the Commission (published by the Government in October 1999). The introduction of charges for cattle passports and MHS enforcement of SRM controls has been deferred until at least 2002–03 (worth £44m). Meat inspection charges for 1999–2000 were capped at 1998–99 levels (worth £7m) and will rise by only 2.2 per cent. in 2000–01, in line with the rate of inflation as previously announced by my right hon. Friend the Minister. As recommended by the Meat Industry Red Tape Working Group (the Pooley Report) a small task force has been set to urgently explore alternative ways of recovering the costs of inspection work, within the framework of Community law. This will report and make recommendations to the Food Standards Agency who now have responsibility for meat hygiene.

Beef

Mr. Pickthall: To ask the Minister of Agriculture, Fisheries and Food if he will set a date for the lifting of the ban on over-thirty-month cattle entering the food chain where they are subject to full traceability. [118667]

Ms Stuart *[holding answer 11 April 2000]:* I have been asked to reply.

The ban on over-thirty-month cattle entering the food chain is one of a number of BSE controls to be reviewed by the Food Standards Agency (FSA). This was announced by my right hon. Friend the Prime Minister at the agriculture summit on 30 March. The FSA has been asked to consider the controls to ensure that they adequately protect the consumer, and their proportionality to the assessed risk. The FSA will submit a published report to UK Health and Agriculture Ministers by the end of October or as soon as possible afterwards taking account of the report of the BSE Inquiry. Ministers will then consider whether there should be any change in the ban on over-thirty-month cattle entering the food chain in the light of the FSA's report.

Inverdale Gene

Mrs. Fiona Jones: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the risks from the importation of the Inverdale Gene to the UK, with particular reference to its possible role in causing infertility [118199]

Ms Quin: No formal assessment has been made. The hazard of infertility associated with the Inverdale gene is well understood. It is for the sheep breeding industry to assess whether the benefits of introducing the gene into UK breeding flocks through the importation of semen or animals outweigh the risks of infertility.

Livestock Compensatory Allowances

Mr. Llwyd: To ask the Minister of Agriculture, Fisheries and Food what representations he has received on the question of modulation in relation to livestock compensatory allowances; and if he will make a statement. [118401]

Ms Quin: The only livestock compensatory allowances paid in the UK are paid under the Hill Livestock Compensatory Allowance Schemes. These are to be replaced by new schemes under the EC Rural Development Regulation. As such they would not be subject to modulation and I have received no representations on the issue.

Sheep Farming

Mr. Paul Marsden: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the effects on sheep farming of *(a)* the Groundwater Directive, *(b)* abattoir closures and *(c)* the costs of the proposed identification scheme. [118332]

Ms Quin: The information is as follows: *(a)* Under the Groundwater Regulations 1998, which implement the Groundwater Directive, sheep farmers wishing to dispose of any listed substance (including sheep dip containing such substances) to land will normally require a groundwater authorisation from the Environment Agency. Under the agriculture strategy package announced recently it is proposed to restrict charges to a single application fee (currently £92) for the first four-year period of an authorisation, rather than for farmers to have also to pay an annual charge. This will result in an estimated saving for sheep farmers of £428 at 1999 prices in respect of the annual charge.

(b) None. There remains considerable over-capacity in the mainstream sheep-slaughtering sector and as a result there is unlikely to be any measurable effect of abattoir closures on the majority of producers.

(c) We estimate that the initial cost of tagging all sheep in Great Britain will be a maximum of £12 million; in subsequent years this falls to £6 million. For around 80 per cent. of sheep holdings in Great Britain the cost of tags for the entire flock will be less than £200 in the first year.

Live Animal Exports

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food which member states of the European Union have introduced legislation to give effect to the Live Transport Directive 95/29/EC. [118589]

Mr. Morley: Information made available by the European Commission, whose responsibility it is to ensure that EU legislation is implemented, indicates that all member states have implemented Council directive 95/29/EC amending directive 91/628/EC on the protection of animals during transport.

Lavender Industry

Mr. Brake: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on support for the UK lavender growing industry. [118590]

Ms Quin: The Ministry supports non-food crops through its Agri-Industrial Materials Branch disseminating information, organising events and supporting research and development, although no specific activity relating to lavender is currently taking place.

Organic Food

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food what recent research he has carried out on the impact on biodiversity of *(a)* organic and *(b)* conventional farming methods. [118570]

Ms Quin: A number of comparative studies have been funded by the Ministry. A desk study was completed in 1998 which compared the effects on biodiversity of conventional, organic and integrated farming systems. This summarised the results of previous field-based research, and concluded that organic regimes showed an overall benefit for biodiversity at the farm level. A new field-based project started in 1999 to determine to what extent any biodiversity differences between organic and conventional farms are caused by differences in non-crop habitats.

Other recent research includes projects to assess the impact of conventional agriculture on farmland bird populations, the effects of pesticides on non-target species (including indirect effects on birds), the causes of changes on botanical diversity on farmland, and the causes of changes in brown hare populations. The Ministry is also co-funding the Countryside Survey 2000 project which focuses on an assessment of the extent of changes in botanical diversity on farmland.

Food Stores

Mr. Cox: To ask the Minister of Agriculture, Fisheries and Food what foods and in what quantities were in storage within the European Union on 1 March. [118832]

Ms Quin: The following foods and quantities were in storage within the European Union on 1 March 2000.

	Amount (000 tonnes)
Beef	25
Wheat	4,106
Barley	5,021
Maize	59
Rice	495
Rye	3,184
Butter	57
Skimmed Milk Powder	157
Olive Oil	25
Wine	193

Research and Development

Mr. Breed: To ask the Minister of Agriculture, Fisheries and Food what was his Department's budget for Research and Development in *(a)* 1998–99 and *(b)* 1999–2000. [119007]

Ms Quin: The figures were *(a)* £139.8 million; and *(b)* £139.3 million.

Land Holding Statistics

Mr. Gordon Prentice: To ask the Minister of Agriculture, Fisheries and Food how many landowners in England and Wales have land holdings in excess of *(a)* 25,000 acres, *(b)* 20,000 acres, *(c)* 15,000 acres and *(d)* 10,000 acres. [119038]

Ms Quin: This information is not available. MAFF holds information on the land area related to agricultural holdings.

Spongiform Encephalopathies

Dr. Lynne Jones: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of recent studies on maternal transmission *(a)* of the BSE infective agent in cattle and *(b)* of related infections in other mammalian species. [119035]

Ms Quin: MAFF have funded a large-scale experiment to assess whether embryos collected from cows in the late stages of BSE infection and then transplanted into TSE-free recipient cows from New Zealand, go on to develop BSE later in life. Offspring will be observed for seven years for the development of BSE. The study is due to end next year but so far none of the offspring have shown any signs of BSE. This provides experimental evidence to indicate that BSE is not transmitted to embryos by the maternal route.

Similar studies have been performed in sheep infected with scrapie but results have been difficult to interpret because of the complex genetic factors that influence scrapie susceptibility in sheep. Epidemiological work is ongoing to investigate the natural routes of transmission of scrapie, however, it is too early to make an assessment of the results obtained so far.

EU Farming Regulations

Mr. Breed: To ask the Minister of Agriculture, Fisheries and Food what recent discussions he has had with his European counterparts on ensuring uniformity of farming regulations in the EU. [118943]

Ms Quin: My right hon. Friend the Minister and I regularly meet colleagues from the other member states and the Commission to discuss agricultural legislation. Most recently I attended the Agriculture Council on 17 April to discuss a number of issues including Beef Labelling. It is the responsibility of the Commission to ensure that member states meet their obligations to administer EU legislation properly but that does not necessarily in all cases require complete uniformity as there is scope to apply the principle of subsidiarity where appropriate.

Milk Imports

Mr. Robertson: To ask the Minister of Agriculture, Fisheries and Food what was the *(a)* quantity and *(b)* value of milk imported into the UK from non-EU countries in the last three years for which figures are available; what tariff such milk attracts; and if he will make a statement. [119656]

Ms Quin: The information requested is set out in the table:

Imports of milk from third countries

	Volume (tonnes)	*Value (£000)*
1997	2.1	6.3
1998	0	0
1999	6.0	2.7

Source:
HM Customs and Excise

The import duty paid on imports of skimmed milk in January and February 1997 was 18.9 ecus per 100 kg. The import duty paid on imports of whole milk in October 1997 was 29.1 ecus per 100 kg. The import duties paid in July 1999 on imports of skimmed milk and whole milk were 15.1 euros per 100 kg and 24.8 euros per 100 kg, respectively. These are the only months in the years concerned in which imports were recorded.

Correspondence

Mr. Lidington: To ask the Minister of Agriculture, Fisheries and Food what target he has set for Ministers in his Department to reply to letters from hon. Members; in what proportion of cases since 1 October 1999 he has met those targets; in how many cases it has taken his Department *(a)* more than eight weeks and *(b)* more than 16 weeks to reply to letters from hon. Members; and if he will make a statement. [118933]

Mr. Nick Brown *[holding answer 13 April 2000]:* Ministers in my Department aim to answer letters from hon. Members within 15 working days. Between 1 October 1999 and 31 March 2000, Ministers in my Department answered 3,098 letters from hon. Members, of which 987 (32 per cent.) were answered within 15 working days. A total of 562 letters took over eight weeks to answer: of these, 27 took longer than 16 weeks. In 1999 as a whole Ministers in my Department answered 60 per cent. of letters from hon. Members within 15 days.

The number of staff processing correspondence has been increased to improve our performance in responding to letters from hon. Members.

Sir Brian Mawhinney: To ask the Minister of Agriculture, Fisheries and Food when the right hon. Member for North-West Cambridgeshire will receive a reply to his letter of 8 March on behalf of his constituent, Miss Marvin. [119747]

Mr. Nick Brown *[holding answer 19 April 2000]:* I replied to the right hon. Member for North-West Cambridgeshire on 19 April.

Written Answers to Questions

Wednesday 3 May 2000

CHURCH COMMISSIONERS

Church Repairs (VAT)

Miss McIntosh: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what progress has been made in respect of repairs to churches under the EC Directive adopted by the Council of Ministers on 22 October 1999 authorising member states to apply a reduced rate of VAT on a temporary basis for certain labour-intensive services. [119828]

Mr. Stuart Bell: Originally there was a suggestion that the directive might be applied to allow a lower rate of VAT on repairs to all historic and listed buildings including churches. Unfortunately the list adopted did not extend to these and the Churches will continue to press for this to be reviewed at the earliest opportunity.

Miss McIntosh: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what plans he has to seek to ensure that VAT costs are reduced for repairs to existing church buildings and to ensure that VAT is charged exclusively on the construction of new church buildings. [119846]

Mr. Stuart Bell: The Churches continue to press the case for VAT relief on repairs to church buildings. The hon. Lady will know that I raised this at a recent meeting with my hon. Friend the Minister for the Arts in the context of the current review of policies relating to the historic environment.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Biodiversity Action Plans

Jackie Ballard: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to provide a statutory framework for the UK biodiversity action plans. [120210]

Mr. Mullin: The Biodiversity Action Plan is part of the Government's response to the Convention on Biological Diversity which, as an international treaty, does not require national legislation to give effect to it. Article VI of the Convention specifically requires the preparation of a national strategy. However, the Government are reviewing the need for a statutory basis for the Plan process in the light of representations they have received.

They would in any case wish to avoid breaking down the current highly successful delivery partnerships of statutory, business and voluntary sectors.

Fifth Freedom Carriers

Mr. Hancock: To ask the Secretary of State for the Environment, Transport and the Regions how many foreign Fifth Freedom carriers operate from the UK to the US; and if he will make a statement. [120085]

Mr. Mullin: Four non-UK carriers currently operate scheduled passenger services from the UK to the US using fifth freedom rights. These are Air India, Pakistan International Airlines, Olympic and Kuwait Airways. An additional four non-UK carriers operate scheduled cargo services from the UK to the US using fifth freedom rights. These are Air France, Cargolux and Lufthansa through Prestwick and El Al through London.

National Air Traffic Services

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what payments regime applies in respect of airlines using the National Air Traffic Services; what changes to such payments are proposed in advance of the Transport Bill being enacted; and if he will make a statement. [120325]

Mr. Mullin: The Civil Aviation (Route Charges for Navigation Services) Regulations 1998 (S.I. 1998/1537 and 2999) made under section 73 of the Civil Aviation Act 1982 require the operator, and on notice the owner, of any aircraft in the Flight Information Regions of Eurocontrol Member States to pay Eurocontrol a charge for air traffic services.

These are collected by Eurocontrol and a sum in respect of the services provided by the service provider in each Contracting State is paid by Eurocontrol to the Contracting State. Under article 20 of the Multilateral Agreement, National Air Traffic Services Ltd. (NATS) has been nominated by the UK as being entitled to receive the United Kingdom's share of the route charges.

By directions made by the Civil Aviation Authority under Article 79 of the Air Navigation Order (No.2) 1995 it is the responsibility of the owners or operators of specified aerodromes to procure appropriate services for the control of air traffic in their vicinity. Usually the owner or operator of the aerodrome would include the costs incurred in acquiring these services in his charges to the owners or operators of aircraft using the airport. In some cases, however, contracts have been negotiated by NATS that specify that they will charge the aircraft owners and operators direct.

The duty on the owners and operators to pay the charges is set out in the Civil Aviation (Navigation Service Charges) Regulations 2000 (S.I. 2000/599).

No changes to the current charging arrangements are proposed in advance of the Transport Bill being enacted.

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions (1) how many people are employed by National Air Traffic Services; and what the basis is of the share allocation under the public-private partnership; [120603]

(2) if employees of National Air Traffic Services will be able to sell their shares in the NATS public private partnership without restriction. [120619]

Mr. Mullin: NATS employs 5,372 people as at 31 March 1999. The final form of the employee share scheme, including the allocation to NATS' staff, and any restrictions on sale will be worked up in due course following consultation with NATS' employee representatives and, when selected, the Strategic Partner.

However, the Government are keen to ensure that the share scheme is designed to ensure that NATS' employees hold a long-term equity stake in their company and that all employees are entitled to participate on an equal basis.

Hazardous Waste Imports

Charlotte Atkins: To ask the Secretary of State for the Environment, Transport and the Regions how much hazardous waste was imported into the United Kingdom during 1999 for use as fuel in cement kilns; and what were the countries of origin of that waste. [120341]

Mr. Mullin *[holding answer 2 May 2000]:* The estimated quantity of hazardous waste imported into the United Kingdom in 1999 for use as fuel in cement and lime kilns, broken down by country of origin, is as follows:

	Tonnes
Guernsey	13
Ireland	6,720
Jersey	18

Accurate information about imports solely for cement kilns, rather than for cement and lime kilns, could be provided only at disproportionate cost.

Final figures for 1999 will not be available until the summer since, under European law, the kilns have 180 days following receipt of the waste to provide the UK enforcement authorities with a certificate of recovery confirming the actual quantity of waste used as a fuel.

CITES Delegation (Nairobi)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the members of the UK CITES delegation to COP XI in Nairobi with a financial interest in the trade and supply of endangered species; and if he will make a statement. [120132]

Mr. Mullin *[holding answer 2 May 2000]:* No member of the UK Delegation to the Convention on International Trade in Endangered Species' 11th Conference of the Parties in Nairobi has a financial interest in the trade and supply of endangered species. One member of the Delegation is seconded from the Cayman Islands Government Civil Service to the Cayman Turtle Farm, a Crown Corporation wholly owned by the Cayman Islands Government, as the Farm's Research Officer.

Simian Herpes B

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to deal with the potential public health risks from the transformation of the simian herpes B virus from macaques held in zoos and safari parks; and if he will make a statement. [120133]

Mr. Meacher *[holding answer 2 May 2000]:* The Government are aware of the potential health risks of simian herpes B virus. Under health and safety legislation, as well as ensuring the health and safety of employees, employers also have to ensure that others, eg members of the public, are not exposed to risks arising from the work. Local authorities are responsible for health and safety in zoos and safari parks. The Health and Safety Executive has alerted local authority enforcement officers to the potential health risks and has given guidance on action to take should any subsequent cases arise.

Cowboy Builders

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what response he has made to the recommendation of the Cowboy Builders Working Group for a mandatory requirement for builders securing a Government-backed quality mark to provide financial protection for customers. [120551]

Ms Beverley Hughes: I announced on 6 December 1999 that the Government accepted the key recommendations of the final report produced by the Cowboy Builders Working Group, including the requirement that all quality marked builders must provide an approved third-party warranty to protect the consumer in the event that he/she experiences difficulties with the completion of the job or standard of workmanship.

Pilots of the quality mark scheme are being run in Birmingham and Somerset. The Birmingham pilot was opened to applications from builders last month, and will open to the public in June or July. The Somerset pilot will be opened to builders later this month and to the public in September or October. The aim of the pilots is to test and develop the arrangements before we take a decision on a national scheme.

Capital Receipts (Worcester)

Mr. Michael J. Foster: To ask the Secretary of State for the Environment, Transport and the Regions what was the value of capital receipts released to Worcester City Council for each financial year since May 1997. [120595]

Mr. Mullin: The table shows the capital allocations made to Worcester City Council under the Capital Receipts Initiative (CRI). Allocations were made in the form of Supplementary Credit Approvals.

£

Year	*Allocations*
1997–98	213,000
1998–99	678,000
1999–2000	685,000

There has been no separate allocation of resources under the CRI since 1999–2000, following the introduction of the single housing capital pot from 2000–01.

Bellwin Flood Relief Scheme (Worcestershire)

Mr. Michael J. Foster: To ask the Secretary of State for the Environment, Transport and the Regions how much money was refunded to *(a)* Worcester City Council and *(b)* Worcestershire County Council under the Bellwin scheme of flood relief, for each financial year since May 1997. [120596]

Ms Beverley Hughes: A "Bellwin" scheme of emergency financial assistance may be activated to help a local authority with uninsurable clear-up costs following a disaster or emergency that involves destruction of, or danger to, life or property. Grant is normally paid at a rate of 85 per cent. of an authority's qualifying expenditure above a threshold. The threshold is the provision that a prudent authority might reasonably be expected to make for contingencies and emergencies (approximately 0.2 per cent. of its revenue budget).

In the financial years 1997–98, 1998–99 and 1999–2000, Worcestershire County Council did not incur qualifying expenditure above its threshold. Grant was paid to Worcestershire City Council as follows:

	£
1997–98	0
1998–99	7,164
1999–2000	6,874

Housing (Additional Demand)

Mr. Gerald Howarth: To ask the Secretary of State for the Environment, Transport and the Regions how many extra *(a)* houses and *(b)* flats he estimates have been built in the last 30 years in order to meet additional demand created by divorce. [120671]

Mr. Mullin: The specific data requested are not available.

Rail Regulator

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions what is the annual budget of the Rail Regulator in the current year; and what plans he has to increase it. [120607]

Mr. Hill *[holding answer 2 May 2000]:* The Rail Regulator's final budget for 1999–2000 was £13.1 million, of which £9.3 million was recovered from licence fees. For 2000–01, the Rail Regulator is currently consulting on a proposed budget of £13.2 million.

Health and Safety Executive

Helen Jones: To ask the Secretary of State for the Environment, Transport and the Regions how many inspectors there were *(a)* in the Field Operations Directorate of the Health and Safety Executive and *(b)* in each of the bands 1–4 in each of the last five years. [120389]

Mr. Meacher *[holding answer 2 May 2000]:* The number of inspectors in the Field Operations Directorate of the Health and Safety Executive in each of the last five years is as follows:

	Number
April 1996	892
April 1997	813
April 1998	815
April 1999	837
April 2000	828

The number of inspectors in the Field Operations Directorate of the Health and Safety Executive in each of the last five years by band is as follows:

	Band 1	*Band 2*	*Band 3*	*Band 4*
April 1996	42	185	606	59
April 1997	34	165	522	92
April 1998	35	161	527	92
April 1999	35	156	512	134
April 2000	34	171	507	116

Note:
Between April 1996 and April 1997 80 staff were transferred, during an internal reorganisation, to the new Chemical and Hazardous Installations Division.
Source:
PARIS (Personnel Administration and Records Integrated System) live data as at 26 April 2000

Helen Jones: To ask the Secretary of State for the Environment, Transport and the Regions what recent research his Department has commissioned on the effectiveness of unannounced preventive inspectors by the HSE in preventing accidents at work. [120387]

Mr. Meacher *[holding answer 2 May 2000]:* HSE has recently initiated a research project entitled "Proving Inspection Works". The aim of the project is to develop a methodology by which HSE can progressively evaluate the impact inspectors achieve in their various regulatory encounters with duty holders in order to maximise their effects.

It is hoped that "Proving Inspection Works" will demonstrate the value of unannounced preventive inspections, but it may be optimistic to say that a direct link can be proved between such an inspection and a reduction in accidents at a particular workplace. The project is looking to measure the promotion of positive risk management behaviours as well as reducing specific hazards and risks.

Traffic-free Areas

Mr. Bill O'Brien: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish planning guidance notes for local authorities to maintain and introduce traffic-free and pedestrian-only areas for town and city centres. [120385]

Ms Beverley Hughes: The Government published a revised public consultation draft of Planning Policy Guidance Note 13 on Transport in October last year which encourages local authorities to give greater priority to walking using measures such as pedestrianisation schemes in town and local centres where vehicle access is restricted or prohibited. We intend to publish the final version of PPG13 later this year.

Family Statistics (Homelessness)

Mr. Gerald Howarth: To ask the Secretary of State for the Environment, Transport and the Regions how many people classified as homeless there were in *(a)* 1970, *(b)* 1980 and *(c)* 1999; and how many came from (i) intact families, and (ii) broken families. [120676]

Mr. Mullin: Data on homelessness activity reported by local authorities in England include the number of households accepted as homeless and in priority need

under the homelessness provisions of the Housing (Homeless Persons) Act 1977, and subsequent legislation. 57,850 such households were accepted in 1980 and 104,770 in 1999. These figures are not comparable because of legislative changes since 1977.

Local authority homelessness responsibilities under earlier legislation were significantly more limited, and data for 1970 are not available.

Information is also reported about the main reasons for loss of the household's last settled home, including "Breakdown of relationship with partner". In 1980 this accounted for around 20 per cent. of all cases, and 24 per cent. in 1999.

Telecommunications Masts

Mr. Yeo: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the effect on farmers of planning restrictions on mobile telephone masts. [120577]

Ms Beverley Hughes: Government policy on the development of telecommunication masts is to encourage and facilitate the roll-out of a modern national telecommunications system while protecting the environment. This is reflected in the current framework of law and guidance on planning for such development.

As we said in the Action Plan on Farming launched recently by the Prime Minister, we recognise the benefits of mobile phones for rural communities and will consider ways of fulfilling the roll-out of mobile phone networks in rural areas while keeping environmental intrusion to a minimum and taking account of the recommendations of the forthcoming report of the Independent Expert Group on Mobile Phones.

Redundant Building Grant Programme

Mr. Yeo: To ask the Secretary of State for the Environment, Transport and the Regions what proportion of the increase in the Redundant Building Grant Programme will be dedicated to farm-based enterprise. [120575]

Mr. Mullin: We have made clear to RDAs our intention that the whole of the £4 million increase should be targeted at farm enterprises, and to that end have removed for farmers the area-based limitation and widened the employment test.

Farm-based Horse Enterprises

Mr. Yeo: To ask the Secretary of State for the Environment, Transport and the Regions how the extension of rate relief to farm-based horse enterprises will be funded; and what effect such an extension of rate relief will have on central Government funding. [120573]

Ms Beverley Hughes: Farm premises used for the breeding and rearing of horses already receive a rate concession. The Prime Minister announced on 30 March 2000 that the Government would consult on proposals to extend rate relief to other horse enterprises linked to farm premises. We are currently considering the options along with other preparatory work for the Rural White Paper and will consult on these proposals later this year.

NORTHERN IRELAND

Omagh Bombing (Police Investigation)

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many RUC detectives are engaged *(a)* full-time and *(b)* part-time on the Omagh Bomb. [114936]

Mr. Ingram: The number of officers actively engaged in this investigation has varied at different times to meet the needs of inquiries. All appropriate resources have been made available throughout the investigation. I am advised that there are currently 20 detective officers working full-time on the inquiry team, all on a full-time basis.

Social Fund

Mr. David Stewart: To ask the Secretary of State for Northern Ireland what the Northern Ireland social fund discretionary budget will be for 2000–01. [120910]

Mr. George Howarth: I am pleased to announce that the social fund gross discretionary budget for 2000–01 will be £45.95 million. £10.06 million will be allocated to grants; £35.79 million to loans and £0.1 million will be held as a contingency reserve. The new allocations represent an increase of £3.13 million over the initial gross budget set at April 1999.

The Community Care Grant (CCG) budget has been increased by £0.2 million to £10.06 million. This will provide more help to CCG applicants, in particular families with children and the disabled.

The loans budget has been increased to £35.79 million, an increase of £2.93 million on the initial 1999–2000 loans budget. To improve the fairness of the scheme budgets will be allocated in a way that will, over time, achieve greater consistency of outcome for applicants wherever they live.

Details of the individual District budget allocations, together with a note explaining the basis on which they have been made, have been placed in the Library today.

Patten Proposals

Mr. McNamara: To ask the Secretary of State for Northern Ireland if, when he publishes his Implementation Plan for the Patten proposals, he will list those items on which the Chief Constable has already started out. [120648]

Mr. Ingram: The Implementation Plan will show the items where the Chief Constable has the lead responsibility for taking work forward and any progress which has already been made.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if, when he publishes his Implementation Plan for the Patten proposals he will indicate those proposals which have human rights and equality implications that have been referred to the Human Rights and Equality Commissions and their replies in each case. [120649]

Mr. Ingram: The Implementation Plan will set out for each recommendation which has been accepted, the programme of work required and who has the lead responsibility for taking the work forward. It will be for

those with the lead responsibility to consult and work with the Human Rights and Equality Commissions, as appropriate, in taking the work forward.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if on the date he publishes the proposed legislation to implement the Patten report and the implementation plan he will name the Oversight Commissioner and the Commissioner's assistants. [120644]

Mr. Ingram: The search for a suitable candidate for appointment as Oversight Commissioner is in hand. The Government will make an announcement in due course.

Police Services

Mr. McNamara: To ask the Secretary of State for Northern Ireland if he will promote a competition between the schools and colleges of Northern Ireland to design a politically neutral new badge and insignia for the Police Services of Northern Ireland. [120650]

Mr. Ingram: No.

Elections

Mr. McGrady: To ask the Secretary of State for Northern Ireland what steps have been taken to introduce a proportional representation system of voting for parliamentary elections in Northern Ireland; and if he will make a statement. [119564]

Mr. Mike O'Brien: I have been asked to reply.

We have made it clear that any change to the voting system used for elections to the House of Commons would first require the endorsement of the people of the United Kingdom in a referendum.

PRIME MINISTER

Engagements

Mr. Martlew: To ask the Prime Minister if he will list his official engagements for Wednesday 3 May. [119396]

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Wednesday 3 May. [120345]

The Prime Minister: This morning I met Nelson Mandela as well as having meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Performance and Innovation Unit

Mr. Lansley: To ask the Prime Minister what the Government have done to implement the findings of the Performance and Innovation Unit in respect of *(a)* the rural economy, *(b)* e-commerce, *(c)* management of cross-cutting policies and *(d)* analysis and modelling in central Government. [119952]

The Prime Minister *[holding answer 20 April 2000]:* The Government take the implementation of the conclusions of Performance and Innovation Unit reports very seriously. Where appropriate, project reports contain implementation plans, including lead responsibilities and timetables for action.

In respect of each of the reports the hon. Member refers to:

(a) Rural economies—the report, "Rural Economies", was published in December 1999 and invited comments on a number of issues for discussion. These are being considered as part of the work on the Rural White Paper;

(b) e-commerce—the report e-commerce@itsbest.uk was published in September 1999. The e-Minister and e-envoy are charged with taking forward the recommendations. A detailed implementation plan is published on the e-envoy's website (www.e-envoy.gov.uk) and updated monthly.

(c) cross-cutting policies—the report "Wiring it up: Whitehall's Management of Cross-cutting Policies and Services" was published in January 2000. My right hon. Friends the Chief Secretary to the Treasury and the Minister for the Cabinet Office have been asked to submit a progress report by early 2001;

(d) analysis and modelling—the report "Adding it up: Improving Analysis and Modelling in central Government" was published in January 2000. A group chaired by the Head of the Government Economic Service is overseeing progress with implementation.

Copies of these reports are available in the Libraries of the House.

Mr. Lansley: To ask the Prime Minister what subjects are currently being examined by the Performance and Innovation Unit. [119954]

The Prime Minister *[holding answer 20 April 2000]:* The Performance and Innovation Unit (PIU) is currently undertaking the following projects: the Post Office network; Trade and Social, Health and Environmental Objectives on the Global Stage; the Pursuit and Seizure of Criminal Assets; Strategic Options for the Electronic Delivery of Government Services; and Effective Leadership in Delivering Public Services. The PIU is also providing support to the review of adoption. The completed project on Active Ageing was published on 27 April.

Social Exclusion Unit

Mr. Lansley: To ask the Prime Minister what work is currently being done by the Social Exclusion Unit. [119957]

The Prime Minister *[holding answer 20 April 2000]:* In December 1999 I announce the findings of the review of the Social Exclusion Unit (SEU) and I set out the following priorities for their work programme: to complete the current programme work to develop the national strategy for neighbourhood renewal, including oversight of the 18 policy action teams; to be closely involved in establishing the arrangements for implementation of the strategy after it is announced in the summer of 2000, and to work closely with HM Treasury and other Government Departments to ensure that the 2000 Spending Review reflects the priority the Government give to tackling poverty and social exclusion.

At the same time I asked the Minister for the Cabinet Office to chair the Ministerial Network on Social Exclusion, which was given a new remit to chase progress across Government on implementation of past SEU reports, as well as acting as an informal sounding board for the unit's future work programme.

On 12 April, the SEU published a framework version of the National Strategy for Neighbourhood Renewal, for consultation. The framework sets out proposals which aim to arrest the wholesale decline of the most deprived neighbourhoods; reverse it; and prevent it from recurring. The SEU will be consulting on those proposals until the end of June. Then, following the publication of the results of the Government's Spending Review in July, the unit will set out the final strategy and give details of how it will be taken forward.

The SEU is working closely with the implementing Departments on ensuring that the action arising from the reports is carried out, to time. The SEU is regularly reviewing progress against action plans and works with the teams to unblock obstacles to progress both inside and outside of Whitehall.

The unit is also undertaking initial scoping of possible topics for a future work programme, which I will announce in the summer.

Prisoners of War

Mr. Paul Marsden: To ask the Prime Minister if he will make a statement about the Royal British Legion's request for a special gratuity for former Far East prisoners of war or their widows. [120072]

The Prime Minister: I refer my hon. Friend to the answer given to him by my hon. Friend the Under-Secretary of State for Defence on 2 May 2000, *Official Report*, column 7W.

Serbia

Mr. Dalyell: To ask the Prime Minister what exemptions have been made to the sanctions against Serbia for humanitarian reasons, with particular reference to equipment needed for *(a)* de-mining and *(b)* dealing with depleted uranium. [119349]

The Prime Minister: The EC regulations providing for the flight ban (now suspended), the oil embargo and the imposition of financial sanctions in Serbia all provide for humanitarian exemptions.

Although the UN Security Council Resolution (UNSCR) 1160 (1998) imposed an arms embargo on the FRY, UNSCR 1244 (1999) provides that prohibitions imposed by UNSCR 1160 shall not apply to the sale or supply of arms and related material for use by the international civil and security presence in Kosovo. The UK has approved a number of applications for the export of demining equipment to the FRY where such activity is taking place under the auspices of the international civil and security presence.

The export to Serbia of equipment for dealing with depleted uranium would not be covered by sanctions. However, an export licence would have to be obtained from the Department of Trade and Industry if the equipment in question was covered by the UK's strategic export controls on dual-use goods which apply to all destinations.

Staff

Mr. Lansley: To ask the Prime Minister what estimate he has made of the total staff costs for No. 10 Downing street in *(a)* 1996–97, *(b)* 1997–98, *(c)* 1998–99 and *(d)* 1999–2000. [112076]

The Prime Minister *[holding answer 28 February 2000]:* The staff costs for No. 10 Downing street were £3.4 million in 1996–97; £4.1 million in 1997–98; and £4.9 million in 1998–99. The provisional figure for 1999–2000 is £5.9 million.

DEFENCE

Trident Programme

Mr. Alan Simpson: To ask the Secretary of State for Defence what role BNFL will play in maintaining the UK's Trident programme at AWE. [116244]

Mr. Spellar: BNFL and other members of the AWE ML consortium will be seconding a small number of middle and senior managers to AWE in the short-term, parent company nominees will reduce to only a handful of board members early in the new contract. On the exact responsibilities to be carried out by the nominees from BNFL, I refer my hon. Friend to the answer given to the hon. Member for Newbury (Mr. Rendel) on 15 April 2000, *Official Report*, column 487W.

Chinook Crash, Mull of Kintyre

Mr. Martin Bell: To ask the Secretary of State for Defence if he will provide details of the indicated airspeed of RAF Chinook ZD576 during the last 40 seconds of flight as it approached the Mull of Kintyre on 2 June 1994. [120101]

Mr. Spellar: The Board of Inquiry considered data extracted from the aircraft's systems, the Air Accident Investigation Board technical report, the flight path simulations from Boeing Helicopters and a separate investigation from Defence Research Agency Bedford, together with witness evidence. The Board concluded that it was most likely that while coasting in at the Mull of Kintyre the aircraft was established in a steady climb, with an airspeed of about 150 knots, until approximately four seconds before impact.

Birth Certificates

Mr. Caton: To ask the Secretary of State for Defence for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120322]

Dr. Moonie: The Ministry of Defence usually requests a birth certificate from prospective employees, both Service and civilian, and individuals undertaking work for the Department, to establish proof of identity. Other official documents, however, such as a full 10-year passport, may be furnished as proof of identity and, normally, are acceptable.

Minimum Wage

Mr. Welsh: To ask the Secretary of State for Defence if he will estimate the cost to salaries paid by his

Department of an increase in the national minimum wage to all age groups to *(a)* £4, *(b)* £4.20 and *(c)* £4.50 an hour. [120234]

Dr. Moonie: The estimated annual cost of increasing basic pay by the amounts requested is *(a)* £0.6 million, *(b)* £1.8 million and *(c)* £4.5 million respectively.

Aircraft Maintenance

Mr. Welsh: To ask the Secretary of State for Defence what was the total cost of RAF aircraft maintenance and spares for the last year for which figures are available. [120277]

Dr. Moonie: The information is not held centrally and could be provided only at disproportionate cost.

RAF Combat Aircraft

Mr. Quentin Davies: To ask the Secretary of State for Defence if he will list the front line combat aircraft operated by the RAF; what is the complement of trained pilots required to operate each type; and how many trained pilots are available to fly each type. [120409]

Mr. Spellar: The information is shown in the following table:

Number of trained pilots at 27 April 2000

Aircraft type	*Pilot establishment*	*Pilot strength*
Tornado GR1/4	133	123
Tornado F3	111	103
Jaguar	57	59
Harrier	63	62
Sea Harrier	34	28

Veterans Advice Unit

Mr. Miller: To ask the Secretary of State for Defence when the internet e-mail facility for the Veterans' Advice Unit will become available; and if he will make a statement. [120837]

Mr. Spellar: I am pleased to announce that the Veterans' Advice Unit is, from today, linked to the internet and may be contacted on-line by e-mail at the following address: veteransadvice@veterans.mod.uk.

The Veterans' Advice Unit has been operating successfully as a telephone helpline for 18 months and this important enhancement to the service will open the Unit up to a wider audience. In addition to the millions of ex-Servicemen and women resident in the UK, veterans living abroad, often in different time zones, will now be able to contact the Unit at their convenience and at minimal cost, using the e-mail facility.

Royal Navy Discharge Regulations

Ms Perham: To ask the Secretary of State for Defence what plans he has to alter the current discharge regulations for new recruits joining the Naval Service. [120838]

Mr. Spellar: With effect from 1 June 2000, all new recruits, other than re-engagements, will have a statutory right to apply to leave the Naval Service during a six month period from date of entry, subject to having completed four weeks' effective service. Recruits will be entitled to be discharged no later than 14 days from the date of submitting notice in writing to their Commanding Officer. Currently, recruits have a period of three to six months, depending on their age at entry, during which they may exercise their right to leave the Service.

Additionally, discharge fees applicable to Royal Navy Ratings and Royal Marine Other Ranks aged 17½ years or over on entry, who take up their right to leave within the six month period, are to be discontinued from 1 June 2000.

The two changes in Terms of Service will harmonise the Naval Service's discharge regulations for new recruits and mean that all new recruits, irrespective of their age on entry, will have an equal right to leave the Service in future.

HMS Phoenix

Mr. Matthew Taylor: To ask the Secretary of State for Defence, pursuant to his answer of 8 March 2000, *Official Report*, columns 708–09W, what was the *(a)* purpose, *(b)* nature and *(c)* outcome of the experiment involving 13 military volunteers at HMS Phoenix. [117078]

Dr. Moonie: This is a matter for the Chief Executive of the Defence Evaluation and Research Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from John Chisholm to Mr. Matthew Taylor, dated 3 May 2000:

I am replying to your parliamentary question about the study undertaken by the Chemical and Biological Defence (CBD) sector of the Defence Evaluation and Research Agency (DERA) at HMS Phoenix.

The purpose of this study was to determine whether existing or proposed control methods were effective in preventing nuclear contamination of a designated toxic free area (TFA). Subjects wearing full individual protective equipment were exposed to harmless particles to simulate nuclear fallout. They were then processed through the entry system under evaluation into the TFA, replicating the undressing and decontamination procedures appropriate to that system. The effectiveness of the entry system was tested using air sampling techniques in the TFA. None of the volunteers who took part in the trial experienced adverse effects. The results will be used to revise entry and exit procedures to reduce the potential for the transfer of nuclear contaminated material.

I hope the above is helpful.

MOD Accommodation

Mr. Hancock: To ask the Secretary of State for Defence how many properties earmarked for naval officers have been built by his Department *(a)* in total and *(b)* in the Portsmouth area in each of the last four years; at what cost; and if he will make a statement. [118652]

Dr. Moonie: The Defence Housing Executive (DHE) is the MOD agency responsible for managing Service housing in England, Wales and Scotland and, as a Tri-Service organisation, it does not build properties specifically for any one Service.

53 officers' quarters were built in Putney between 1995 and 1997 at a cost of £4.6 million, a small majority of which are occupied by Naval officers. At Taranto Hill, Ilchester, 34 officers' quarters are in course of

construction as part of a larger project, at an approximate cost of £2.7 million. The majority of occupants will be Naval officers based at RNAS Yeovilton.

Four Private Finance Initiative contracts have been placed by DHE covering requirements for new officers' accommodation for Lossiemouth, Shawbury, Glasgow (at Paisley) and Yeovilton, of which only those at Yeovilton will be mainly occupied by Naval officers. These PFI houses will not be owned by DHE and the cost will be paid through a monthly payment by DHE to the owners for the properties required. Payment will be dependent on the quality of service provided.

Two further PFI contracts are planned, one to cover accommodation requirements at Waddington and one to cover requirements at Bristol, Bath, Shrivenham and Portsmouth, of which the 70 houses for Portsmouth will be mainly occupied by Naval officers' families. Because of land ownership issues, some 15 of the 70 may be built with MOD capital and be MOD owned. Firm costs are not yet available and are likely to be commercially sensitive.

Mr. Hancock: To ask the Secretary of State for Defence how many naval officers in the greater Portsmouth area are living in privately rented accommodation and awaiting MOD accommodation; how many of them have been waiting for more than six months; and if he will make a statement. [118655]

Dr. Moonie: 106 naval officers and their families are presently accommodated in non-Service family quarters in the greater Portsmouth area. Forty-two have been resident over six months. New applicants are allocated Service accommodation as it becomes available so that mid tour moves should not be necessary.

There are no naval officers being provided with single rented accommodation in the greater Portsmouth area at the present time.

Ferry Charter Costs

Mr. Hancock: To ask the Secretary of State for Defence how much has been spent on charter costs for ferries to transport military assets in each of the last five years; on how many occasions and to what locations equipment was moved; and if he will make a statement. [119165]

Dr. Moonie: The information requested is not available on a consistent basis prior to Financial Year (FY) 1996–97. The following table shows the number of ships, excluding tankers, chartered from FY 1996–97 to FY 1999–2000 to transport military assets.

Charter costs 1996–97 to 1999–2000

Ser.	*FY*	*Number of ships*	*Annual cost (£000)*	*Task/Destinations* [1]
1	1996–97	[2]49	18,040	(a) Operations (11)—Split (b) Exercises (29)—USA, Spain, Norway, Germany, Turkey (c) Resupply (13)—Antwerp and Zeebrugge (for BAOR, Germany), Gibraltar, Cyprus, Kenya, Falkland Islands (inter-island) (d) Training (3)—Marchwood
2	1997–98	[2]66	13,491	(a) Operations (10)—Split (b) Exercises (32)—Germany, Spain, Turkey, Norway, Sardinia (c) Resupply (39)—Antwerp and Zeebrugge (for BAOR, Germany), Gibraltar, Cyprus, Canada, Falkland Islands (inter-island) (d) Training (7)—March wood
3	1998–99	[3]46	16,107	(a) Operations (16)—Split, Thessaloniki (b) Exercises (18)—Germany, Norway, Spain, Poland, Turkey (c) Resupply (32)—Antwerp and Zeebrugge (for BAOR, Germany), Gibraltar, Cyprus, Canada, Falkland Islands (inter-island) (d) Training (4)—Marchwood
4	1999–2000	[3]59	21,552	(a) Operations (43)—Thessaloniki, Split, Corsica (b) Exercises (19)—Germany, Norway, Egypt, Jordan, UAE, USA, Scotland (c) Resupply (22)—Antwerp and Zeebrugge (for BAOR, Germany), Canada, Gibraltar, Cyprus, Kenya, Falkland Islands (inter-island)

[1] Figures indicate number of tasks carried out
[2] Number includes 1 × Joint Rapid Reaction Force (JRRF) RoRo on bare boat charter
[3] Number includes 2 × JRRF RoRos on bare boat charter

Warship Construction

Mr. Hancock: To ask the Secretary of State for Defence (1) what measures his Department is taking to ensure that the UK retains the capacity for warship construction; [119335]

(2) if he will instruct the UK Defence Procurement Agency to ensure that UK suppliers are not disadvantaged in relation to foreign competition in respect of contracts for warship construction; and if he will make a statement. [119405]

Dr. Moonie: Government policy, which is followed by the Defence Procurement Agency, is for warships to be built in the UK. UK warship builders are not, therefore, disadvantaged in relation to foreign competition.

The shipbuilding programme that has emerged from the Strategic Defence Review represents a considerable commitment and provides UK Shipbuilding Industry with a firm basis to invest, and modernise.

Taken together, the policy for warship building and the future requirements for warships should ensure that the UK retains the capacity for warship construction.

Websites

Mr. Maclennan: To ask the Secretary of State for Defence what his Department's policy is on *(a)* advertising and *(b)* acknowledging company sponsorship on the websites of his Department, agencies and non-departmental public bodies; which companies (i) have placed advertisements and (ii) are acknowledged as sponsors on those websites; how much revenue has been received for each financial year since 1997 from such advertisements and sponsorship; and if that revenue has been retained within the budget of his Department, agencies and non-departmental public bodies. [119543]

Dr. Moonie *[holding answer 19 April 2000]:* My Department's policies on advertising and sponsorship of its Departmental websites come under the existing conventions on Government publishing and advertising as set out in the Guidance on the Work of the Government Information Service, which can be found at http://www.cabinet-office.gov.uk/central/1999/workgis/index.htm. The Department's websites are subject to the policy guidelines issued by the Cabinet Office on the use, management and design of Government websites. These guidelines are available at http://www.iagchampions.gov.uk/guidelines/websites. They permit the use of advertisements and sponsorship on Government websites.

No advertisements and no sponsorship acknowledgements which generate revenue appear on the Department's principal websites, nor have there been any in the past. To the best of my knowledge this applies also to the websites maintained by individual Defence Agencies, units and non-departmental public bodies.

Where a company has sponsored a major Service event and a related web page exists on one of the Department's websites, that page has on occasion included the company's logo which in some cases links to the company's own website. This has been the case with some events announced on the Royal Navy and British Army websites, but no revenue has been generated by the appearance of logos. The websites for the Red Arrows and Blue Eagles aerobatic teams have been provided at no cost by commercial web designers Deltaweb, who provide a link to their own site. Some other sites, designed under contract, include acknowledgements and links to their designers' own websites.

The Ministry of Defence's main website includes a search facility provided free of charge by the International Relations and Security Network and Eurospider Information Technology AG, under the auspices of NATO's Partnership for Peace initiative. The Met. Office website similarly uses free search facilities provided by Excite.com. Links are provided to their websites. No revenue has been generated in the process.

The British Defence Staff (Washington) has a specific responsibility to promote UK defence exports to the United States. In pursuit of this objective, the BDS(W) website promotes specific items of defence equipment and its manufacturers. In addition the site search facility is presently advertiser-supported but provided free of charge by freefind.com.

Of the Department's non-departmental public bodies, the Royal Navy Submarine Museum currently includes links to BAE Systems to recognise sponsorship of museum exhibits. However, no revenue has been generated by the appearance of the relevant logos and links on the website.

Entry Licences

Angela Smith: To ask the Secretary of State for Defence who issues licences to enter his Department's land on Salisbury Plain. [119928]

Dr. Moonie: Licences to enter Salisbury Plain Training Area are issued by Defence Estates once approval has been given by the Commandant Army Training Estate Salisbury Plain. I refer my hon. Friend to the answer which the then Under-Secretary of State for Defence, my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) gave to her on 17 January 2000, *Official Report*, column 280W, on the licensing procedure.

Angela Smith: To ask the Secretary of State for Defence (1) how many licences to enter his Department's land have been issued in *(a)* 1996, *(b)* 1997, *(c)* 1998, *(d)* 1999 and *(e)* 2000 to date; [119926]

(2) how many licences to enter his Department's land have been *(a)* revoked and *(b)* curtailed in (i) 1996, (ii) 1997, (iii) 1998, (iv) 1999 and (v) 2000 to date; [119927]

(3) who has responsibility for ensuring that conditions on licences to enter his Department's land are adhered to; [119929]

(4) what action can be taken against *(a)* bodies and *(b)* individuals who contravene the terms and conditions of licences to enter his Department's land. [119925]

Dr. Moonie: The information on the number of licences issued to enter Ministry of Defence land and also how many of these have been revoked or curtailed is not held centrally and could be provided only at disproportionate cost.

Once licences are issued, however, licence holders are required to operate within the terms of their licence. Responsibility for ensuring that this occurs rests both with Defence Estates (an agency of the Ministry of Defence) and the establishment where the activity occurs.

Action on the contravention of any licence is dependent both on the activity involved and in what way the agreement has been contravened. For example, if damage has occurred the licence holder can be asked to pay for any repairs that may be necessary.

Procurement Programme Studies

Mr. Keith Simpson: To ask the Secretary of State for Defence if he will list the occasions since May 1997 when alternative studies have been initiated for procurement programmes once a preferred supplier has been selected, indicating the cost of those studies in each case. [118971]

Dr. Moonie *[holding answer 17 April 2000]:* Information of this sort is not held centrally and could be provided only at disproportionate cost.

Tritium

Mr. Llew Smith: To ask the Secretary of State for Defence, pursuant to his answer of 3 April 2000 to the hon. Member for Angus, (Mr. Welsh), *Official Report*,

column 303W, on tritium, for what reason disclosure of tritium production details would be contrary to national defence and security interests. [120065]

Mr. Hoon: The Government are committed to being as open as possible about Britain's nuclear forces. However, disclosure of tritium production details could provide the means to assess nuclear weapon design data, offering an unwelcome insight into our nuclear capabilities. In addition, when answering questions on defence nuclear issues, we must observe our obligations under the terms of Article 1 of the 1970 Nuclear Non-Proliferation Treaty. It is on these grounds that I am withholding this information under Exemption 1 of the Code of Practice on Access to Government Information.

Defence and Clothing Research Establishment

Mr. Bob Russell: To ask the Secretary of State for Defence (1) how many staff were employed at the Defence and Clothing Research Establishment at Colchester; when the decision was taken to transfer all the operations to Bicester; and how many staff it is estimated will be transferring to the new site; [120592]

(2) when the Defence and Clothing Research Establishment at Colchester was due to transfer to Bicester; what is the current anticipated date when the transfer will be completed; what is the cause of the delay; and if he will make a statement. [120593]

Mr. Spellar: When DCTA was formed in November 1994, the intention from the outset was that the different elements would collocate to Caversfield. This would generate efficiencies by rationalising technical facilities at the Agency's Didcot and Colchester sites and by reducing the number of staff required to run one site as compared to three. However, it was not until July 1996 that a firm date of November 1998 was decided for the transfer of the Colchester Science & Technology Department (S&TD) element. At that time, the establishment of S&TD comprised a total of 147 staff was expected to increase by 1998 to 156. The current estimate of the number of staff from Colchester intending to transfer to the Caversfield site is 84, although all staff at Colchester still have the offer of a job at Caversfield, should they decide to move.

The original date for the transfer has been affected by a number of studies into the future of DCTA. However, none of these studies raised any point which significantly altered the original plan and the then Minister for the Armed Forces, my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson), confirmed the collocation on 1 April 1999.

The Collocation is now expected to be completed by February 2001, which represents a total delay of some two years and three months over the original date. The causes are as follows:

(a) Private Finance Initiative (PFI) Study 1997: delay incurred one year.

(b) McKinsey Study (SDR) 1998 recommending S&TD/DERA Study into what elements (if any) should go to DERA on Value for Money grounds: delay incurred 11 months.

(c) English Heritage—Proposed listing of Caversfield Buildings; its impact upon refurbishment proposals, necessitated some redesign: delay incurred four months.

Despite the various delays, we now fully expect that the revised date for completion will be met. DCTA is currently evaluating the various tenders that have been received for the refurbishment of the remaining buildings on the Caversfield site, and the programme is expected to be undertaken during Summer/Autumn 2000.

FOREIGN AND COMMONWEALTH AFFAIRS

Lord Levy

Mr. Maude: To ask the Secretary of State for Foreign and Commonwealth Affairs what was the cost to public funds of Lord Levy's visit to Morocco, broken down by *(a)* expenses and *(b)* other costs. [118791]

Mr. Hain *[holding answer 12 April 2000]:* I refer to the answer given by my right hon. Friend the Prime Minister on 22 February 2000, *Official Report*, column 852W. This was also the case in relation to the Morocco visit.

Mr. Maude: To ask the Secretary of State for Foreign and Commonwealth Affairs whom the Prime Minister's special envoy met on his recent trip to Morocco. [118794]

Mr. Hain *[holding answer 12 April 2000]:* Lord Levy met a range of senior figures, including King Mohammed VI, to whom he delivered a personal message from the Prime Minister.

Amsterdam Treaty

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs for what reason no fines have been imposed under Article 228(2) of the Amsterdam Treaty; and what representations he has made calling for such fines be imposed. [119811]

Mr. Vaz: Article 228(2) applies if a member state fails to respond to a Court judgment. The vast majority of cases is settled well before this stage. Over the last three years, the Annual Report on monitoring the application of Community law records that the Commission has referred 14 cases to the European Court of Justice for a second time, recommending fines in each case. The fact that no penalties have yet been imposed by the Court does not indicate that the system is not working. On the contrary, it shows that member states have responded to the possibility of a fine by rapidly coming into line with EC law, either before the case is referred to the ECJ for a second time or shortly afterwards.

Plutonium Exports (United States)

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what communications have been received by the *(a)* scientific and *(b)* Atomic Energy Counsellors in the British Embassy in Washington DC since May 1997, from the (i) United States Department of Energy and (ii) other US nuclear authorities, in respect of the agreements affecting plutonium exported from the United Kingdom to the United States and the use to which that material has been put. [120252]

Mr. Hain: There is no Atomic Energy Counsellor at the Embassy in Washington. Since May 1997 the Science, Technology, Environment and Energy Counsellor has received routine communications from the United States

Government on the movement of nuclear material exported from the United Kingdom to the United States, and the use to which that material has been put. These have formed part of the normal process of consultation between our two Governments.

Entry Clearance (Islamabad)

Mr. Gerrard: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) with reference to the operation of the interim appointment system in Islamabad for applicants seeking entry clearance *(a)* by what criteria an application is judged to be straightforward, *(b)* by whom this decision is made, *(c)* how an applicant is informed that the application is regarded as straightforward, *(d)* what types of visa application can be considered under this system and *(e)* if an existing applicant awaiting interview can take advantage of the scheme; [120487]

(2) how many applications for entry clearance have been considered under the interim appointment system in Islamabad; and of these, how many were *(a)* accepted and *(b)* refused, for each type of visa application. [120488]

Mr. Vaz: There is no interim appointment system in operation at Islamabad. There is, however, a fast-track scheme for spouses in the settlement queue, whereby they can present themselves for interview on any Tuesday. Applicants who meet the relevant criteria of the Immigration Rules without the need for any additional inquiry are granted entry clearance. Those who do not are invited to return for further interview on the date of their original appointment.

No statistics are kept for those granted entry clearance, or deferred to their original appointment, during this process. All of those who attend have their applications considered by an Entry Clearance Officer.

Iraq

Mr. Paul Marsden: To ask the Secretary of State for Foreign and Commonwealth Affairs what oil revenues are available to Iraq for purchasing *(a)* food and *(b)* medical supplies under UN sanctions; and if he will make a statement. [120363]

Mr. Hain: Under the UN "oil for food" programme, Iraq can export unlimited amounts of oil to fund the purchase of food, medical supplies and other humanitarian relief. With Iraq now among the world's largest oil producers again, and given that its oil reserves are second only to those of Saudi Arabia, more than $10 billion a year should be available for the humanitarian programme. It is, however, for Iraq to decide how much of that money will be spent on essential food and medicines for the Iraqi people.

Valerie Davey: To ask the Secretary of State for Foreign and Commonwealth Affairs what goods on the UK Military List have recently been approved for export to Iraq. [120839]

Mr. Hain: Following consultation with the Foreign and Commonwealth Office and the Ministry of Defence, the Department of Trade and Industry recently approved a licence to export de-mining equipment to Iraq for use by UN personnel in a humanitarian de-mining programme. The export of the equipment was approved by the UN Sanctions Committee under the Oil for Food programme.

International Criminal Court

Mr. Worthington: To ask the Secretary of State for Foreign and Commonwealth Affairs when the United Kingdom will ratify the Rome Statute of the International Criminal Court. [120355]

Mr. Hain: The UK requires legislation before we can ratify the Rome Statute of the International Criminal Court. This legislation will be published in draft form in the current Parliamentary session and introduced as soon as the Parliamentary timetable allows.

Mr. Worthington: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent progress being made to establish an International Criminal Court. [120354]

Mr. Hain: To date the Rome Statute of the International Criminal Court has been signed by 96 States and ratified by eight. The Court will be established once 60 States ratify. A Preparatory Commission is making good progress and is expected to complete the drafting of two important subsidiary documents to the Statute during its next session in June.

Visa Correspondence Unit

Mr. Leslie: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress he has made in reducing the backlog of correspondence in the Visa Correspondence Unit. [120911]

Mr. Vaz: I am pleased to inform the House that the Visa Correspondence Unit's backlog of correspondence with Members has been reduced so that there are now only 45 letters from Members which have not been answered within the 15 working day target, compared to 851 on 27 January. Forty-five is, of course, still too many and we will continue to work to improve our performance.

SOCIAL SECURITY

Winter Fuel Payments (Gosport)

Mr. Viggers: To ask the Secretary of State for Social Security when residents of Gosport will receive their winter fuel payments. [119840]

Angela Eagle: The administration of benefits is a matter for Alexis Cleveland, the Chief Executive of the Benefits Agency to answer. She will write to the hon. Member.

Letter from Alexis Cleveland to Mr. Peter Viggers, daied 2 May 2000:

The Secretary of State has asked me to reply to your recent Parliamentary Question asking when residents in Gosport will receive their winter fuel payments (WFP).

Our records show that 10.2 million WFPs were issued in November 1999. Of these, around 5 million were issued directly to Post Offices, the remainder were issued to customers home address or direct to their bank accounts. For security reasons, Post Offices were advised to return any uncollected girocheques to the Benefits Agency by 21st December 1999. Approximately 85,000 were returned by the Post Office. My staff have been contacting customers whose payments were returned to ascertain the reason for non-collection and re-issue payments where possible. All payments were made before the end of March with the exception of those where the customer has still not responded to our enquiries.

Following the ruling in the case of Taylor, the age at which Winter Fuel Payments can be made was to be equalised at 60, and the need to be in receipt of a qualifying benefit is removed. As before, these payments are intended for people who are ordinarily resident in Great Britain.

In order to meet the requirements of the European Court of Justice ruling it was necessary to identify the new beneficiaries from people aged 60 and over and build processes to ensure that this year's payments, and payments for past winters, could be made as soon as possible.

The Secretary of State for Social Security wrote to all MPs on 11 April setting out the planned delivery arrangements to make these payments. As he indicated, the current plan is to begin making payments for past winters from the end of June onwards and to make this coming winter's payments before Christmas.

I hope this is helpful.

Disability Living Allowance

Mr. Steen: To ask the Secretary of State for Social Security what the guidelines are in respect of comments by the Chief Executive of the Benefits Agency on decisions by Benefits Agency decision makers on claims for Disability Living Allowance. [120088]

Mr. Rooker: The administration of Disability Living Allowance is a matter for Alexis Cleveland, the Chief Executive of the Benefits Agency, who will write to the hon. Member.

Letter from Alexis Cleveland to Mr. Anthony Steen, dated 2 May 2000:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking what guidelines there are in respect of comments by the Chief Executive of the Benefits Agency (BA) on decisions by BA decision makers on claims for disability benefit living allowance.

Decision makers in the BA make decisions fairly and impartially on behalf of the Secretary of State. No one, including myself, can interfere with the decision making process.

This is a long-standing principle designed to ensure that all claims and questions put before decision makers are treated equitably.

I am responsible for monitoring the quality of decision making within the agency and am advised on the quality of decisions taken by an independently chaired Standards Committee.

There will be an annual published report on the quality of decision making in agencies.

I hope this is helpful.

Vaccine Damaged Children

Mr. Tony Clarke: To ask the Secretary of State for Social Security when the Government will announce a financial settlement for vaccine damaged children. [120727]

Mr. Bayley: The results of our review of the Vaccine Damage Payments scheme are in preparation but have not yet been finalised.

Sure Start Maternity Grant

Mr. Willetts: To ask the Secretary of State for Social Security how many people received Sure Start Maternity Grant in 1999–2000; and how many are expected to receive it in *(a)* 2000–01 and *(b)* 2001–02. [119948]

Angela Eagle *[holding answer 20 April 2000]:* Sure Start Maternity Grant (SSMG) was introduced from 27 March 2000 to replace the £100 Maternity Payment, and is payable for children expected, born or adopted on or after 11 June. Maternity payments will continue for children expected, born or adopted before 11 June. Since both Maternity payments and SSMG payments will be made during 2000–01, figures for the two benefits are in the following table for the relevant years.

Number of people receiving Sure Start Maternity Grant and Maternity Payment

	Sure Start Maternity Grant	*Maternity Payment*
1999–2000	[1]—	171,827
2000–01	[2]165,000	[2]30,000
2001–02	[2]192,000	0

[1] Not yet available
[2] Projected figure

Child Poverty

Mr. Webb: To ask the Secretary of State for Social Security when his Department first announced plans to halve child poverty in 10 years and eradicate child poverty in 20 years; and when these targets are due to be met. [120238]

Mr. Bayley: My right hon. Friend the Prime Minister announced our aim to end child poverty in 20 years in the Beveridge Lecture on 18 March 1999. Following this, we published "Opportunity for all" (Cm 4445, September 1999) placing tackling poverty and social exclusion at the heart of this Government's agenda. Reinforcing our commitment to ending child poverty, my right hon. Friend the Chancellor of the Exchequer announced our ambition to halve child poverty "by the end of the next decade" in his 1999 Pre-Budget Report.

INTERNATIONAL DEVELOPMENT

Child Labour

8. **Dr. Gibson:** To ask the Secretary of State for International Development what steps she has taken to address the problem of child labour in the developing world. [119360]

Clare Short: Our Government played a key role in brokering the agreement on the Elimination of the Worst Forms of Child Labour at the International Labour Organisation (ILO) in 1999. We have contributed $1 million per annum for the last two years to support ILO programmes to eliminate child labour and are working with the ILO on projects to eliminate child labour in India and Tanzania, and to restrict trafficking in children in South-East Asia.

Gap-year Students

9. **Mr. St. Aubyn:** To ask the Secretary of State for International Development if she will make a statement on the role of her Department in appointing year-out students on development projects overseas. [119362]

Clare Short: The Department for International Development does not appoint year-out students on development projects overseas. Developing countries require access to know how to build local capacity. Our volunteer schemes such as Voluntary Service Overseas and British Executive Services Overseas provide volunteers with skills in areas needed by developing countries.

Debt Relief

10. **Mr. Luff:** To ask the Secretary of State for International Development what recent representations she has received from Christian Aid about third-world debt. [119363]

Clare Short: On 4 April, the Chancellor and I met a number of faith leaders and directors of voluntary organisations, including Christian Aid, at one of our regular seminars on debt and poverty reduction. I continue to receive many letters on debt, including from Christian Aid supporters.

23. **Mr. Webb:** To ask the Secretary of State for International Development what steps her Department is taking to ensure that the amount of debt relief granted to the world's poorest countries is increased. [119377]

Clare Short: We were instrumental in securing the revision of the Heavily Indebted Poor Countries (HIPC) Initiative, which provides faster, wider and deeper debt relief for the poorest countries. The new framework will deliver $50 billion in debt relief. In addition, the Government have announced that they will provide 100 per cent. bilateral relief on all remaining export credit debt for qualifying HIPC countries. Some other countries, including the rest of the G7, have agreed additional debt relief beyond the HIPC framework.

At the Spring Meetings of the World bank and IMF last month, the international community agreed to set up a joint World bank/IMF Committee to oversee the implementation of the enhanced HIPC framework, and to provide regular progress reports to the two Executive Boards. I welcome this measure.

The financing for the revised Initiative has yet to be identified in full. The UK has made the largest commitment to date to the HIPC Trust Fund—over $350 million, including our share of the European Community contribution.

Ethiopia

11. **Mr. Russell Brown:** To ask the Secretary of State for International Development what is the total amount of emergency assistance that her Department has committed to Ethiopia in response to the current famine. [119364]

Clare Short: We have responded quickly and appropriately to emerging emergency needs in Ethiopia. Since June 1999 we have committed some £9.3 million in food and non-food relief. The food aid element is over 30,000 metric tonnes. In addition, we contribute about 17 per cent. of the cost of EC food aid; estimated to be some 432,000 metric tonnes this year. We are ready to commit more funds if new needs emerge.

16. **Mr. Robertson:** To ask the Secretary of State for International Development if she will make a statement about the aid she is providing to Ethiopia. [119370]

Clare Short: We have responded quickly and appropriately to emerging emergency needs in Ethiopia. Since June 1999 we have committed £9.3 million in food and non-food relief. The food aid element is over 30,000 metric tonnes. In addition, we contribute about 17 per cent. of the cost of EC food aid: estimated to be some 432,000 metric tonnes this year.

Because of the war with Eritrea we, like other donors, have reduced long-term development aid because we are not confident that the resources would be used to benefit the people of the country.

India

12. **Mr. McGrady:** To ask the Secretary of State for International Development what her policy is on linking aid to India with good governance; and if she will make a statement. [119365]

Clare Short: Our "Country Strategy for India", published in 1999, stresses the crucial importance of good governance to India's development. One of the five strategic objectives for our programme in India is to promote accountable government delivering pro-poor reform and growth and effective services.

A key element of the Strategy is the focusing of our effort and funding on the governments of selected Indian states which have high concentrations of poor people. The criteria for choice of states include:

a commitment by the government to reduce poverty, including a willingness to make radical shifts in fiscal priorities, tackle difficult social issues, overhaul the delivery of public services and decentralise more power and money to local government; and

a desire to improve standards of governance.

We intend to increase substantially the proportion of its bilateral development assistance to India devoted to improving governance at national and state levels.

Africa

13. **Mr. Swayne:** To ask the Secretary of State for International Development if she will make a statement about development aid to east Africa. [119366]

Clare Short: British bilateral development assistance to Kenya, Tanzania and Uganda totalled about £130 million in 1999–2000. Assistance to Tanzania and Uganda is set to increase substantially over the next three years in support of Government-led efforts to strengthen economic management and reduce poverty, which are being pursued further through the preparation of Poverty Reductions Strategy Papers (PRSP). In Kenya, the Government are seeking to negotiate a new economic reform programme with the IMF, in preparation for which it is preparing an interim PRSP. We are ready, if Kenya reaches agreement on a credible poverty reduction programme with the international financial institutions, substantially to increase development assistance.

15. **Sir Sydney Chapman:** To ask the Secretary of State for International Development if she will make a statement about aid to the Horn of Africa. [119368]

Clare Short: Planned expenditure in countries in the Horn of Africa is shown at Annex 1, Table 5 of the DFID Departmental Report 2000.

Overseas Development (Expenditure)

14. **Mr. Bradshaw:** To ask the Secretary of State for International Development what progress has been made towards meeting the Government's target for expenditure on overseas development as a proportion of gross domestic product. [119367]

Clare Short: DFID assistance to developing countries in the last financial year is estimated at £2.212 billion, an increase of 8.5 per cent. in real terms over the expenditure of £1.987 billion in 1998–99. This increase reflects the first year of the Comprehensive Spending Round settlement in 1998, as part of which an extra £1.6 billion was allocated for development spending. Under this, DFID's budget will increase by £365 million in the current financial year and by a further £307 million in 2001–02.

I should also inform the House that we have today submitted to the OECD our provisional figures for official development assistance for the 1999 calendar year. We estimate that net ODA for the calendar year will be £2.03 billion. This results from the different time-frame of our financial year and the Development Assistance Committee's use of the calendar year and is largely the consequence of the timing of the deposit of promissory notes in respect of IDA and the African. Development Fund, lower than predicted spending by the EC, and the timing of bringing to book expenditure on Kosovo. This will produce an anomalous calendar year ODA/GNP ratio of 0.23 per cent. We expect that ODA in 2000 will be 0.29 per cent. of GNP, rising in 2001 to 0.30 per cent. of GNP.

Zimbabwe

17. **Mr. Wilkinson:** To ask the Secretary of State for International Development what assessment she has made of the effectiveness of British development aid to Zimbabwe. [119371]

Clare Short: The effectiveness of development assistance to Zimbabwe is kept under regular review. Projects are professionally appraised, monitored and evaluated to assess their impact on poverty. We also review the impact of the wider political and economic environment on progress. Our present assessment is that our portfolio so far has been broadly effective, but that new government-led projects would not be less effective until current governance and economic management issues are resolved. New projects are therefore channelled largely through civil society organisations.

18. **Mr. Nicholas Winterton:** To ask the Secretary of State for International Development if she will make a statement on her Department's aid to Zimbabwe. [119372]

20. **Mr. Robathan:** To ask the Secretary of State for International Development if she will make a statement on her Department's programme in Zimbabwe. [119374]

Mr. Stephen O'Brien: To ask the Secretary of State for International Development if she will make a statement on the future of the aid programme to the Government of Zimbabwe. [119358]

Clare Short: We are continuing to monitor events in Zimbabwe very closely, and are keeping programme activities under review to ensure that they can still be effective. We are particularly concerned about the failure of the police to uphold court orders against farm invaders; to provide protection under the law; and to act impartially in policing demonstrations. I have therefore suspended DFID support to an Aid and Trade Provision project supplying Land Rovers to the Zimbabwe Republic Police.

Iraq

19. **Mr. Dalyell:** To ask the Secretary of State for International Development what aid in the form of water pumps she has sent to Iraq via the United Nations. [119373]

Clare Short: In the centre and south of Iraq we have committed £5.3 million to Care International for water and sanitation projects and £3 million to the International Committee of the Red Cross whose programme includes rehabilitating water and sanitation services. In northern Iraq we have supported a number of water and sanitation projects over recent years through NGOs. We are not providing water pumps to UN agencies. These are being imported into Iraq through the oil-for-food programme, and where practicable, our programmes make use of them.

South Asia

21. **Mr. Gordon Prentice:** To ask the Secretary of State for International Development what steps she is taking to help end the system of bonded labour in south Asia. [119375]

Clare Short: The Government are working for the elimination of bonded labour in several ways. We played a key role in discussions to draw up the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work (1998) and the Convention for the Elimination of the Worst Forms of Child Labour (1999) which both outlaw bonded labour and provide international standards and monitoring mechanisms. The UK has provided $2 million over the last two financial years to ILO's International Programme for the Elimination of Child Labour (IPEC). Many child labourers in south Asia work under bonded conditions.

At country and regional level we are working with the ILO, national Governments, trades unions and other civil society organisations to promote labour rights and tackle the poverty which usually underlies abuses. One of the causes of bondage is indebtedness to landowners. We are supporting micro-credit schemes which aim to provide alternative sources of affordable finance to poor people.

In the UK we are supporting the Ethical Trading Initiative (ETI), a consortium of business, trades unions and non-governmental organisations which encourages companies, many of whom have suppliers in south Asia, to adopt codes of conduct including labour standards throughout their supply chain.

Malaria

22. **Mr. Beard:** To ask the Secretary of State for International Development what steps her Department is taking to help developing countries combat malaria. [119376]

Clare Short: The World Health Organisation (WHO) estimates that malaria kills one million people a year, mainly in Africa. We are strongly supporting the WHO-led Roll Back Malaria (RBM) initiative to achieve the goal of reducing the malaria burden by half by 2010. The RBM initiative provides the vehicle for concerted action by partners, especially in Africa, to deliver more widely the benefits of currently available methods of malaria control to the poorest. Overall UK developmental programme spending on malaria control activities has increased tenfold in the last five years. We are also

supporting public-private partnerships to develop the new generation of affordable drugs required for malaria control in developing countries, both by direct funding to WHO through such initiatives as the Medicines for Malaria Venture (MMV), the Lapdap product development programme and the Malarone donation programme.

Kosovo

24. **Mr. Cox:** To ask the Secretary of State for International Development what help her Department is giving in the clearing of land mines in Kosovo. [119378]

Clare Short: We have provided over £7 million during the 1999–2000 financial year for the clearance of mines and unexploded ordnance in Kosovo. So far we have committed a further £6.6 million during 2000–01. The great majority of this funding is going to four mine clearance organisations. We have also supported the UN Mine Action Co-ordination Centre through contributions in cash and in kind.

Famine Relief

25. **Mr. Kidney:** To ask the Secretary of State for International Development what famine relief operations are being undertaken by *(a)* her Department and *(b)* UK aid agencies in Ethiopia and Eritrea. [119379]

Clare Short: *(a)* Details of the emergency interventions we have funded in Ethiopia between June 1999 and April 2000 are outlined in the DFID Background Briefing on Ethiopia, April 2000, a copy of which has been placed in the Library of the House. In addition, we are also providing £1 million to the International Committee of the Red Cross to cover food and transport costs and some £1.3 million to Farm Africa for work in Konso. Britain also contributes about 17 per cent. of the cost of EC food aid for Ethiopia; estimated to be some 432,000 metric tonnes this year. In Eritrea this year, we have provided £200,000 to Oxfam for emergency water/sanitation interventions for people displaced by the conflict. In addition, we also provide 17 per cent. of the cost of EC interventions in Eritrea.

(b) We do not maintain records of interventions by NGOs and other aid agencies.

Burma and Thailand

Rev. Martin Smyth: To ask the Secretary of State for International Development what representations she has received from non-governmental organisations working in Burma and Thailand about her Department's policies towards those countries. [119350]

Clare Short: We have not had any representations from non-governmental organisations working in Burma and Thailand about our policies, but we have consulted non-governmental organisations about the situation in Burma in preparing a Country Strategy Paper that we shall publish shortly.

Commonwealth Development Corporation

Mr. Martlew: To ask the Secretary of State for International Development what progress has been made on the change in status of the Commonwealth Development Corporation. [119369]

Clare Short: On 8 December 1999 Commonwealth Development Corporation was transformed from a statutory corporation into a public limited company registered under the name of CDC Group plc. It now operates within the framework designed for the Public/Private Partnership. This entrenches an investment policy focusing on investment in poorer countries. For the time being CDC remains wholly Government-owned.

Palestinian Authority

Dr. Starkey: To ask the Secretary of State for International Development if she will make a statement on UK development aid to the Palestinian Authority. [119361]

Clare Short: Our bilateral development assistance for the West Bank and the Gaza Strip is focused on co-operation with the Palestinian Authority to build a nation through support for the peace process (eg improving Palestinian administrative systems and analytical resources); institution and capacity building (eg improving health and education services); and empowering civil society (eg through non-government organisations working on gender and law issues). We currently spend some £8 million a year on the programme. In addition we contribute a similar sum to the United Nations Relief Works Agency for Palestinian Refugees in support of its core activities and to assist in improving service delivery. Our share of European Community and other multilateral programmes for the Palestinians takes our average annual contribution to over £25 million.

Poor Countries

Mr. Ben Chapman: To ask the Secretary of State for International Development what proportion of her Department's budget was spent in the world's poorest countries in the last financial year. [119359]

Clare Short: Our Government have committed themselves to increase the focus of our aid spending on the poorest people and the poorest countries. The proportion of our country programmes spent in Low Income Countries in the last financial year rose to 71 per cent. from 63.2 per cent. the previous year. We are on course to reach a proportion of around 80 per cent. this year.

TRADE AND INDUSTRY

Export Licences

Mr. Berry: To ask the Secretary of State for Trade and Industry in what circumstances an item on the military list can be exported without the requirement of an end-use certificate. [120236]

Dr. Howells: All applications for Standard Individual Export Licences (SIELs) for the permanent export of goods subject to strategic export control must be supported by appropriate end-user documentation. Where the intended consignee is a Government body, and the application is not for a licence to export chemicals listed in Schedule 2 or 3 to the Chemical Weapons Convention (CWC) to a state which has not ratified the CWC, a copy of the official Government purchase order or a copy of the relevant part of the Government contract covering the order is normally sufficient. An end-user undertaking is

not usually required for Standard Individual Export Licence (SIEL) applications for the temporary export of goods subject to strategic export control.

An Open Individual Export Licence (OIEL) is specific to an individual exporter and covers multiple shipments of specified goods to specified destinations and/or, in some cases, specified consignees. The exporter must obtain from each consignee an appropriate written undertaking for each export before the export takes place, or not later than one month after the date of exportation. Where the exporter intends to make more than one exportation to the same consignee in any period of one year, an annual written undertaking may be obtained in fulfilment of this requirement.

As with SIELs, where goods are being consigned direct to a Government body, we will normally accept a copy of the Government purchase contract order, or the relevant extracts from the contract.

An Open General Export Licence (OGEL) allows the export from the UK of goods specified in the goods coverage of the OGEL to specified destinations. In such circumstances, end-user undertakings are not required. Copies of OGELs are routinely placed in the Library of the House.

Birth Certificates

Mr. Caton: To ask the Secretary of State for Trade and Industry for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120312]

Dr. Howells: In the DTI and some of its agencies a birth certificate is one of a variety of documents which applicants for jobs may choose to offer as proof of identity and of age, for pension purposes, prior to or at recruitment. In the event of the death of a departmental employee in service, his or her children's full birth certificates are required in order to verify dates of birth for dependants' benefits under the relevant pensions arrangements. Contractors are responsible for establishing proof of the identity of their employees. Birth certificates are not required routinely for any other departmental purposes, although they can be offered by claimants under the Empty Property Compensation Scheme to help establish the validity of such claims in particular lines of inheritance, and they may, in very limited circumstances, be demanded under a number of statutory powers of investigation, for example under Section 434 of the Companies Act 1985.

BNFL

Mr. Chaytor: To ask the Secretary of State for Trade and Industry if he will instruct the Health and Safety Executive to conduct an investigation into quality control data problems associated with MOX fuel supplied by British Nuclear Fuels to Swiss and German utilities. [119674]

Mrs. Liddell: No. The Health and Safety Executive's (HSE) Nuclear Installations Inspectorate reported on the data falsification issues in the MOX demonstration facility (MDF) in its report published on 18 February. HSE's priority now is to assess BNFL's responses to its reports, published on 18 April, and to monitor the implementation of BNFL's action plans.

I understand that HSE has briefed the Swiss and German nuclear regulators on the findings of their report.

Mr. Chaytor: To ask the Secretary of State for Trade and Industry what plans he has to investigate further allegations made by Mitsubishi Heavy Industries about BNFL's ability to manufacture MOX fuel pellets to meet the required specification; and if he will make a statement. [119680]

Mrs. Liddell: I am not aware of the allegations made by Mitsubishi Heavy Industries apart from those relating to the falsification of data on secondary pellet diameter checks.

Mr. Chaytor: To ask the Secretary of State for Trade and Industry if MOX fuel pellets which should have failed the secondary checks at the Sellafield MOX Demonstration Facility were erroneously approved. [119679]

Mrs. Liddell: The falsification of data occurred at a secondary manual stage of checking, the fuel pellets already having been subject to 100 per cent. automated checking.

The Health and Safety Executive's (HSE) Nuclear Installations Inspectorate reported on the data falsification issues in the MOX Demonstration Facility (MDF) in its report published on 18 February. The report confirmed that some pellet diameter data had been falsified; four of the affected fuel assemblies are in Japan; and the fuel would be safe in use.

Mr. Chaytor: To ask the Secretary of State for Trade and Industry if he has received a copy of an English translation of a report by the TUEV agency produced for the Ministry of Environment of the Government of Lower Saxony on MOX production and quality control standards at Sellafield. [119673]

Mrs. Liddell: I have not received a copy of the report.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry (1) if he will list each of the *(a)* oral and *(b)* written parliamentary answers Ministers in his Department have provided since May 1997 which were based on (i) information and (ii) a draft provided by British Nuclear Fuels; [120046]

(2) how many letters have been sent by Ministers in his Department to *(a)* hon. Members, *(b)* Members of the House of Lords and *(c)* foreign parliamentarians since May 1997, which were drafted (i) in full and (ii) in part by British Nuclear Fuels. [120050]

Mrs. Liddell: Internal advice and the source of such advice is not made public in line with exemption 2 of the Code of Practice on Access to Government Information.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry if he will appoint to the board of British Nuclear Fuels a suitably qualified representative from a non-governmental organisation. [120282]

Mrs. Liddell: The BNFL Chairman, Hugh Collum, is looking to refresh and strengthen his board so that the company can tackle the challenges ahead. That will

include recruiting people of a high calibre with a proven track record to contribute, and be committed, to the success of the business.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry if he will instruct British Nuclear Fuels to replace Lloyds Register Quality Assurance Ltd. as quality verifiers of BNFL activities. [120248]

Mrs. Liddell: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Bury, North (Mr. Chaytor) on 28 March 2000, *Official Report*, column 105W.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry if he will make it his policy in answering questions from hon. Members to indicate where British Nuclear Fuels helped to draft the reply. [120304]

Mrs. Liddell: Internal advice and the source of such advice is not made public in line with exemption 2 of the Code of Practice on Access to Government Information.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry if he will list the *(a)* safety management and *(b)* quality control matters that remain to be addressed by British Nuclear Fuels which were mentioned in the two BNFL reports on 18 April. [120247]

Mrs. Liddell: The BNFL reports published on 18 April included action plans to address each of the 43 recommendations in the two HSE reports on MOX fuel data falsification and on the control and supervision of operations at Sellafield. These action plans show that a number of HSE's recommendations have already been addressed and there are deadlines against each one that BNFL has still to complete. While the HSE has indicated that BNFL's responses provide a good foundation to deliver the necessary safety improvements at Sellafield, it has said that it will be monitoring BNFL's implementation of the action plans and that it will not hesitate to use its enforcement powers if it sees any signs of significant failure by BNFL to deliver on its commitments. Copies of two BNFL reports are available on BNFL's web site at *www.bnfl.co.uk*.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry what is the reason for the delay in BNFL's response to the report issued on 18 February by the Nuclear Installations Inspectorate on the storage of liquid high level waste at BNFL, Sellafield. [120250]

Mrs. Liddell: There has been no delay. The Health and Safety Executive (HSE) report on the storage of liquid high-level waste at Sellafield set no deadline. HSE has agreed with BNFL that the company should respond by the summer.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry if he was consulted by BNFL in respect of the new management and board member appointees announced by the company on 18 April. [120249]

Mrs. Liddell: I was consulted about the board changes which the company announced on 18 April.

Power Plants

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry what information his Department collects on *(a)* gas-fired and *(b)* combined heat and power plants, and on planning applications made for such plants in (i) England and (ii) Wales. [120051]

Mrs. Liddell: In relation to any new power station with a capacity of more than 50 megawatts (whether gas fired or combined heat and power plant), the Secretary of State's consent is required under section 36 of the Electricity Act 1989. If, having followed the procedures set out in the Electricity Act, the Secretary of State decides to grant consent, planning permission is deemed to be granted under section 90 of the Town and Country Planning Act 1990. All applications have to provide information as required under the Electricity and Pipeline Works (Assessment of Environmental Effects) Regulations 1990.

Stations with a capacity of more than 10 MW which are fuelled by natural gas require approval under section 14 of the Energy Act 1976 and my right hon. Friend the Secretary of State for Trade and Industry will be supplied with factual information for him to form a judgment as to whether energy policy clearance should be given.

Decisions under both the Electricity Act and the Energy Act are announced by way of Parliamentary Answer, Press Notice and informing interested parties direct.

The Digest of United Kingdom Energy Statistics, copies of which are available in the Library of the House, is published annually and contains a chapter on combined heat and power. The Digest for 2000 is due to be published at the end of July and will give annual data on capacity, fuel and output from combined heat and power schemes in the UK for 1999 and earlier years. The Digest also contains a chapter on electricity which gives the latest statistics on the total generating capacity of gas-fired stations, the volume of gas used for generation, and electricity generated and supplied by gas fired stations.

Gas Industry

Mr. Gibb: To ask the Secretary of State for Trade and Industry (1) if he intends to reopen the application of the gas-fired power station proposals which he refused as a result of the stricter consent policy; [120116]

(2) what his policy is regarding granting permission to construct gas-fired power stations under section 36 of the Electricity Act 1989. [120115]

Mrs. Liddell: My right hon. Friend the Secretary of State for Trade and Industry announced on 17 April that he intends to lift the stricter consents policy as soon as the new electricity trading arrangements are in place, which he expects to be by October this year. The lifting of the stricter consents policy will mean that the existing presumption against new gas-fired power generation will no longer apply. The initiative for proposals for new power stations will remain with private sector companies to consider, to meet the evolving needs of the energy market. That market will be influenced by measures such as exemption from the climate change levy for CHP and enhanced capital allowances. It will also be influenced by the implementation of the Integrated Pollution Prevention Control (IPPC) Directive which emphasises that installations are operated in such a way that energy is used efficiently, and by the draft Large Combustion Plants Directive, which if adopted in its present form will

require the technical and economic feasibility of providing for the combined generation of heat and power to be examined.

The Government strongly support CHP and, consistent with the above measures, will expect developers to be able to show that they have explored opportunities to use CHP, providing heat for business and the community, although it is recognised that that may not always be practical. The Department will be discussing with developers the information which needs to be submitted as part of the notification under section 14 of the Energy Act and applications under section 36 of the Electricity Act.

The Department will also be contacting the promoters of the 15 proposals put on hold since October 1998, with a view to seeing whether those developers wish to proceed with their proposals and what updating of information is required of them.

Until the stricter consents policy is lifted, it will continue to play a part in the energy market.

Mr. Gibb: To ask the Secretary of State for Trade and Industry what assessment his Department has made of the likely future reserves of North Sea gas, taking into account the proposal to lift the stricter current policy from October. [120108]

Mrs. Liddell: The Department of Trade and Industry publishes estimates of remaining recoverable reserves of gas on the UK Continental Shelf (UKCS) in its annual "Brown Book", the next edition of which is due for publication in May 2000. The UKCS includes the Irish Sea and Atlantic Margin as well as the North Sea. The lower and upper ends of the ranges of the Department's estimates of remaining recoverable reserves of natural gas, in billion cubic metres, at the end of 1999 are given in the table in cubic metres:

	Lower end of range	*Upper end of range*
Discovered	760	1,755
Undiscovered[1]	355	1,465

[1] "Yet-to-find"

The impact on remaining recoverable reserves of the proposed lifting of the stricter consents policy from October 2000 is not likely to be significant. Higher demand for gas could advance the pace of reserve depletion or it could increase the reserve base if it leads to an increase in exploration activity.

Mr. Gibb: To ask the Secretary of State for Trade and Industry when Britain will become a net importer of natural gas. [120107]

Mrs. Liddell: The date on which the UK will revert to being a net importer of natural gas will depend on a number of variables, such as the timing of commencement and cessation of production from particular fields and the rate of growth of demand (which can influence the pace of exploration and development of discoveries). It is likely that the UK will again become a net importer of gas during the present decade. There is, however, infrastructure in place to permit imports as and when they are needed.

Mr. Redwood: To ask the Secretary of State for Trade and Industry (1) what legal advice he received concerning the legality of imposing a moratorium on gas-fired power stations; [120183]

(2) when the Government changed its moratorium on new gas-fired power stations to a strict consents policy. [120493]

Mr. Byers: None. No moratorium has been imposed.

Mr. Redwood: To ask the Secretary of State for Trade and Industry if he will estimate how much coal capacity is lost for each additional 1MW of gas-fired electricity generation, assuming electricity demand and the import level stay the same. [120184]

Mr. Byers: I refer the right hon. Member to my reply on 25 May 1999, *Official Report*, column 109W.

Coal Division

Mr. Redwood: To ask the Secretary of State for Trade and Industry for what reason two officials have recently been moved from his Department's Coal Division. [120358]

Mr. Byers *[holding answer 2 May 2000]:* All changes reflect normal career moves.

Patent Office

Ms Christine Russell: To ask the Secretary of State for Trade and Industry if he will make a statement about the quinquennial review of the Patent Office. [120982]

Mr. Alan Johnson: The Government are committed to achieving better public services that are of higher quality and are more responsive to the needs of the people who use them. The services and functions provided by Executive Agencies and non-Departmental Public Bodies (NDPBs) are at the heart of this programme of continuous improvement and their effective delivery is a key element in the success of Modernising Government. Regular Agency and NDPB reviews are an important element in ensuring that we have in place the right structures to deliver the Government's agenda effectively and to provide a strong focus on improving their future performance.

The Quinquennial Review of the Patent Office, which forms part of that programme of review and continuous improvement, was launched on 27 April. Its terms of reference are:

To consider and to make recommendations regarding:

First, the organisational status which would be most appropriate for the policy work and operation of the Patent Office in the future, taking into account its contribution to the objectives of the Department and of the Government as a whole, including the Modernising Government agenda, developments in the national and international legislative, regulatory and commercial environment, and the views of customers, staff, consumers and other interested parties; and

Second, whether any changes should be made to the way in which the Patent Office operates, including its aims and objectives, targets and financial controls; the scope of the activities undertaken; and whether its activities could be done more effectively.

The review is to be undertaken in accordance with the latest Cabinet Office guidance, published in January 2000.

The Review will be carried out by officials in the Department of Trade and Industry, with specialist advice as appropriate. The Review Team will report to a Steering

Group which will include two independent members and be chaired by Dr. Catherine Bell, the Director General of Corporate and Consumer Affairs. The aim will be to complete each stage of the review within three months, as recommended in the Cabinet Office guidance.

As indicated in the terms of reference, the Review Team is seeking the views of interested parties. A consultation paper is available from:

The Patent Office Review Team
Room 875
96 Victoria Street
London SW1E 5JL
Tel: 020 7215 1097
Fax: 020 7215 2987
e-mail: cca.comments@lond02.dti.gov.uk

Comments should be sent to the same address by 19 May 2000.

Wind Energy

Mr. David Stewart: To ask the Secretary of State for Trade and Industry if he will make a statement on his Department's policy on offshore wind farms. [120226]

Mrs. Liddell *[holding answer 2 May 2000]:* I refer the hon. Member to my reply to my hon. Friend the Member for Harrow, West (Mr. Thomas) today.

Mr. Gareth R. Thomas: To ask the Secretary of State for Trade and Industry what actions are being taken to promote the development of a UK manufacturing, supply, installation and maintenance industry relating to wind energy, with particular reference to offshore wind energy; and if he will make a statement. [119923]

Mrs. Liddell: Support provided under the Non-Fossil Fuel Obligation (NFFO), the Scottish Renewables Obligation (SRO), and my Department's research and development programme for renewable energy has contributed to the development of the wind industry. The first two UK offshore wind turbines are to be installed this year and developers are now looking to see how wind energy can be deployed more widely offshore.

The Government are taking powers in the Utilities Bill currently before Parliament to promote the development of renewable energy through a new Obligation on electricity suppliers. The intention is that this would include both onshore and offshore wind and would create a market for renewable energy until 2025. Support under existing NFFO and SRO contracts will be maintained. There will be no new rounds of NFFO and SRO contracts

The Government are also looking at the possibility of some limited additional support for offshore wind and energy crops. However, Government acting alone will not be sufficient to meet the challenge ahead and industry is expected to play an important part.

Marine Renewable Energies

Mr. David Stewart: To ask the Secretary of State for Trade and Industry what recent discussions he has had with offshore engineering companies on marine renewable energies. [120224]

Mrs. Liddell *[holding answer 2 May 2000]:* I have frequent contact with representatives of the oil and gas companies, for example in chairing the PILOT initiative. Matters covered in discussions include opportunities for diversification in the companies' offshore activities.

Congo

Dr. Tonge: To ask the Secretary of State for Trade and Industry what recent representations he has received concerning *(a)* British pilots and *(b)* air charter service air cargo companies supplying weapons to both sides in the civil war in the Democratic Republic of Congo. [120267]

Dr. Howells *[holding answer 2 May 2000]:* The answer is as follows:

(a) None and *(b)* none.

Miners' Pension Fund

Mr. Alan W. Williams: To ask the Secretary of State for Trade and Industry how many representations he has received calling for a review of the arrangements for the distribution of surpluses from the miners' pension funds between Government and miners, and from whom. [120357]

Mrs. Liddell: I have received in the region of 160 representations on this issue. These have come from a range of parties including local authorities, Members of Parliament and private individuals.

Bronchitis and Emphysema (Test Centres)

Mr. Cummings: To ask the Secretary of State for Trade and Industry when he expects the second test centre for claimants for compensation for chronic bronchitis and emphysema to be established in Durham; and if he will make a statement. [120399]

Mrs. Liddell: There is currently a spirometry test centre based at the Miners Offices in Durham City. The centre is fully resourced and equipped to perform assessments for the Medical Assessment Process. There are no plans at present to open a second centre in Durham. The situation will be kept under review.

Rover/BMW

Mr. Redwood: To ask the Secretary of State for Trade and Industry what communications he has received from Mr. Towers concerning the timing of his final bid to BMW. [120495]

Mr. Byers *[holding answer 2 May 2000]:* Mr. Towers is now in negotiations with BMW. I shall be meeting him in due course.

Mr. Redwood: To ask the Secretary of State for Trade and Industry what assessment he has made of whether public money would be needed for the Towers consortium to outbid Alchemy Partners for Longbridge. [120494]

Mr. Byers *[holding answer 2 May 2000]:* No request for public money has been received from the Towers consortium.

AGRICULTURE, FISHERIES AND FOOD

Regional Offices

Mr. Breed: To ask the Minister of Agriculture, Fisheries and Food what recent representations he has received regarding the proposed restructuring of his Department's regional offices; and from which organisations. [120405]

Mr. Morley: The Department has received a number of representations about the future of the Ministry's Regional Service Centres following the recent review of CAP scheme administration. The majority of representations have been from, or on behalf of, staff of the RSCs.

Mr. Breed: To ask the Minister of Agriculture, Fisheries and Food (1) what models for restructuring regional offices he has considered; and if he will make a statement; [120403]

(2) what plans he has to restructure his Department's regional offices; and if he will make a statement. [120404]

Mr. Morley: I refer the hon. Member to the reply given on 27 March 2000, *Official Report*, column 37W, by my right hon. Friend the Minister of State to the hon. Member for Ludlow (Mr. Gill) which sets out the latest position.

Live Animal Exports

Mr. Prosser: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 1 March 2000, *Official Report*, column 286W, on live animal exports, from which counties in England and Wales the sheep removed from consignments of slaughter/further fattening sheep in 1999 by his staff at Dover port originated; and how many originated from each of those counties. [120077]

Mr. Morley: The counties in England and Wales from which animals removed from consignments of slaughter/further fattening sheep by staff at Dover port in 1999 started their journeys, and the total number of animals starting their journeys in those counties were:

County	*Total sheep*	*Unfit sheep*	*Dead sheep*	*Removed for other reasons*
Hereford	65,257	2	6	26
Kent	688,364	49	0	17
North Yorkshire	57,111	1	2	87
Somerset	597	1	0	0
Worcester	2,904	3	0	0
Denbighshire	157,182	16	4	0
Powys	73,406	6	2	0
Wrexham	40,827	1	0	0
Other counties in England and Wales	16,254	0	0	0
Journeys starting outside of England and Wales	13,181	3	1	30
Total	1,115,083	82	15	160

Marine Animals (Nets)

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food when he will bring forward proposals to reduce the number of *(a)* porpoises and *(b)* other marine animals caught in nets, as required by the 1992 European Habitats Directive; and if he will make a statement. [118827]

Mr. Morley: Under the provisions of the EC Habitats Directive, the UK has an obligation to monitor the incidental capture of Annexe IV (a) species (which include all cetaceans) and take further research and conservation measures, as required, to ensure this capture does not have a significant detrimental impact on these species.

My Department has been monitoring the incidental capture of cetaceans through a number of research contracts with the Sea Mammal Research Unit. In addition, a number of mitigation measures are currently being trialled with a view to reducing marine mammal bycatch generally. If these prove effective, the UK industry will be encouraged to adopt them. Furthermore, if appropriate, the European Commission will be approached, with a view to them being applied at Community level.

The UK Government, in consultation with environmental NGOs, have also prepared a draft strategy on the protection of the harbour porpoise in UK waters. The aim of this strategy is to address the potential decline in numbers of this species. It is anticipated that the document will be published by DETR in the near future, with a view to it being submitted to the Agreement on the Conservation of Small Cetaceans of the Baltic and North Seas (ASCOBANS) Meeting of Parties in Bristol in July.

English Rural Development Plan

Mr. Breed: To ask the Minister of Agriculture, Fisheries and Food who will administer the English Rural Development Plan at the regional level. [119006]

Mr. Morley: The Ministry of Agriculture, Fisheries and Food is the competent authority designated by the member state with overall responsibility for administering the England Rural Development Plan. At regional level, Regional Programming Groups involving partners from Government Departments and agencies will oversee the implementation and administration of the Programme. A full description of the proposed administrative arrangements is available in Section 12 and Annexe IX of the Plan.

BSE

Dr. Lynne Jones: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the studies on the presence of the BSE infective agent in cattle *(a)* under 30 months of age and *(b)* older than 30 months. [119036]

Ms Quin: Between January and March 1999, brain tissue was collected from approximately 4,163 randomly selected cattle, over five-years-old, passing through the Over Thirty Month Scheme (OTMS) and examined for the presence of BSE infection. The purpose of the study was to assess if cattle carry any detectable BSE infection before clinical symptoms are seen.

Of the brains removed, a total of 3,951 were in a suitable condition for examination and initial results showed that 18 cattle had signs of BSE infection. The remaining 3,933 were negative and showed no signs of infection. Taken in isolation these results could indicate that approximately 0.5 per cent. of the remaining cattle over five years and older may be infected. It will not be possible fully to interpret the data until the results from other diagnostic tests and a statistical analysis of the age structure of cattle slaughtered under the OTM Scheme is complete.

A similar study of cattle under thirty months of age has not been undertaken because it would be very unlikely that brain pathology would have developed in such young animals if they were infected. In experimental conditions when calves were orally challenged with relatively high doses of BSE infected cattle brain, the first stage at which signs of BSE infection could be detected in the brains of these challenged cattle was at 32 months after dosing. No signs were seen prior to this at 26 months post challenge.

Harbour Grant Scheme

Mr. Moss: To ask the Minister of Agriculture, Fisheries and Food which of the projects under the harbour grant scheme which had formal approval in May 1999 have been granted their grant allocation; and which of the projects in respect of which only applications had been submitted at that date, *(a)* have been allocated grant and *(b)* are being processed. [118828]

Mr. Morley: Of the 10 applications for harbour grant which were formally approved to receive grant at 21 May 1999:

projects at Amble, Hartlepool, Mevagissey, Polperro and Scarborough (two projects) are now complete and have received their grant in full;

projects at Cadgwith Cove, Grimsby, Scarborough and Whitby have so far received part payments.

Of the 22 projects in respect of which applications had been submitted at 21 May 1999:

projects at Bridlington, Grimsby, Mevagissey, Padstow and Whitehaven have since been given formal approval to receive grant;

projects at Amble, Brixham, Gosport, Hull, Leigh on Sea, Looe, Margate, Newhaven, Newlyn, Poole (two projects), Port Isaac, West Bay and Yarmouth are still under consideration.

Since the closure of the scheme on 21 May 1999 the applications for projects at Calshot, Hole Haven and Langstone have been withdrawn by their sponsors.

Waste Incineration

Mr. Stunell: To ask the Minister of Agriculture, Fisheries and Food what representations he received on the draft EU Directive, Air Pollution: Incineration of Waste (Merging with Directive 94/67/EC Hazardous Waste), prior to its adoption; and if he will make a statement. [119676]

Mr. Morley: I have received representations on this Directive, for which DETR has responsibility, from the National Pig Association, the Countryside Alliance, the National Farmers Union, a veterinary clinic, three companies and 15 private individuals. The Directive has not yet been adopted.

Fisheries

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what is his policy on the continued use of fisheries regulation 3760/92 after 2002. [119701]

Mr. Morley: Council Regulation 3760/92 is the basic framework regulation for the Common Fisheries Policy (CFP) and is due to be reviewed before the end of 2002. The Government are seeking to maintain highly valued features of the present arrangements, such as the national quota system based on relative stability and restrictions on access within national 6 and 12 mile limits, and believe that this will be achieved. At the same time, we will want to explore opportunities to improve the CFP to make it a more effective instrument for conserving fish stocks.

GM Crops

Joan Ruddock: To ask the Minister of Agriculture, Fisheries and Food if he will publish the results of the GM trials involving grainseed; and if he will make a statement. [119785]

Ms Quin *[holding answer 20 April 2000]:* The results of the GM trials supporting the proposed National Listing of Chardon LL are publicly available, and copies have been placed in the Library of the House. The Grainseed Ltd. data relate to those columns headed "Ches" (Cheshire).

Veterinary Medicines Directorate

Helen Jones: To ask the Minister of Agriculture, Fisheries and Food what targets he has set the Veterinary Medicines Directorate for 2000–01. [120979]

Mr. Nick Brown: I have set the Veterinary Medicines Directorate the following performance targets for 2000–01:

Safety and Quality

1. To provide high quality scientific assessment work.
2. To provide high quality policy advice to Ministers.
3. To comply with the timetables for entering Suspected Adverse Reactions (SAR) reports set out in the Plan and to report to the Veterinary Products Committee each quarter reviewing trends in SAR reports and identifying areas requiring evaluation.
4. To meet, in full, the requirements of the National Residues Surveillance Plan.

Standards of Service

5. To comply with the timetables for handling applications under the centralised, decentralised and UK procedures set out in the Plan.

Efficiency

6. To collect data for 2000–01 as the base year that will enable efficiency changes to be calculated in 2001–02.

Financial Control

7. To recover from industry and Government the full economic cost (calculated according to resource accounting principles) of its main business activities of:

licensing and surveillance

policy work

residue monitoring

as a whole, without cross subsidy between these activities.

8. To operate within 95 per cent. to 100 per cent. of allocations by the MAFF Management Board for running costs, capital and receipts.

Plan

Suspected Adverse Reactions Surveillance Scheme reports:

enter human reports on to the database within two working days

enter serious animal reports on to the database within two working days

enter non-serious animal reports on to the database within 10 working days

Centralised Procedures

All assessments (including Maximum Residues Limits) to be submitted within timetables agreed with the European Medicines Evaluation Agency.

Decentralised Procedures

All authorisations to be determined within the regulatory timetables.

UK Procedures

93 per cent. of new marketing authorisations to be determined or referred to the Veterinary Products Committee within 120 clock days; all to be determined within 210 clock days.

95 per cent. of valid variation applications to have first assessment within 70 clock days; all to be determined within 150 clock days.

95 per cent. of valid renewal applications to have first assessment within 85 clock days; all to be determined within 180 clock days.

Farming and Rural Conservation Agency

Helen Jones: To ask the Minister of Agriculture, Fisheries and Food what targets he has set the Farming and Rural Conservation Agency for 2000–01. [120976]

Mr. Nick Brown: I have set the Farming and Rural Conservation Agency the following performance targets for 2000–01:

Efficiency

1. To deliver a 3 per cent. saving compared to 1999–2000.

Delivery of Services

2. 92 per cent. of work completed on time.

3. 90 per cent. of work completed to an "acceptable" or better standard as measured by a structured quality assessment process.

Financial Performance

4. To recover from Government Departments and Agencies the full economic cost (calculated according to resource accounting principles) of its services.

5. To operate within 95 per cent. and 100 per cent. of allocations by the MAFF Management Board for running costs, capital and receipts.

Pesticide Safety Directorate

Helen Jones: To ask the Minister of Agriculture, Fisheries and Food what targets he has set the Pesticide Safety Directorate for 2000–01. [120977]

Mr. Nick Brown: I have set the Pesticide Safety Directorate the following performance targets for 2000–01:

Quality of Service

1. To deliver the throughput of applications and processing times set out in the plan.

2. To deliver high quality policy advice to Ministers and respond positively to their policy objectives.

3. To deliver high quality scientific work.

4. To respond positively to the results of the Customer Satisfaction Survey.

Efficiency

5. To meet the efficiency indicator targets in the agreed Efficiency Plan.

Financial Performance

6. To recover from industry and Government the full economic cost (calculated according to the resource accosting principles) of its services.

7. To operate within 95 per cent. and 100 per cent. of allocations by the MAFF Management Board for running costs, capital and receipts.

PLAN

New Substances and Reviews

Application type	*Planned receipts*	*Planned completions*	*Processing time (weeks)*
New Active Substances:			
Sift	15	12	6
Evaluation:			
—full	13	12	52
—resubmission	7	6	52
Reviews—UK			
UK anticholinesterase review programme—full reviews	2	7	—
Other UK review activity	10	16	—
Reviews—EC			
EU rapporteur reviews position on Annex 1 decisions	11	10	—
Total	58	63	[1]90

[1] Overall targets—90 per cent. of applications with a stated processing time must be completed within that time

Note:

The figures for New Substances and Reviews are based on work in hand and forecasts from Industry and the Commission

Technical Secretariat

Application type	*Planned receipts*	*Planned completions*	*Processing time (weeks)*
Normal	320	350	39
Departmental Normal	10	10	48
Experimental Permit	5	5	26
Departmental Experimental Permit	5	5	48
Extrapolated Experimental Approval	10	10	13
Emergency Off Label	25	25	10
Non-emergency Off Label	40	40	32
Fast	220	220	13
Parallel Imports	50	50	10
Administrative Fast	550	550	4
Post Annex 1 Approvals	55	55	—
Mutual Recognition	5	5	26
Other	5	30	—
Total	1,300	1,355	—
Total of tables 1 & 2	1,358	1,418	90

[1] Overall targets—90 per cent. of applications with a stated processing time must be completed within that time

Veterinary Laboratories Agency

Helen Jones: To ask the Minister of Agriculture, Fisheries and Food what targets he has set the Veterinary Laboratories Agency for 2000–01. [120978]

Mr. Nick Brown: I have set the Veterinary Laboratories Agency the following performance targets for 2000–01:

Efficiency

1. To deliver the efficiency savings in the Efficiency Plan.

Service Delivery

2. To achieve 85 per cent. of ROAME R&D milestones.

3. To deliver 90 per cent. of export tests to published turnaround times.

Service Quality

4. (a) To achieve UKAS accreditation for appropriate export testing in Laboratory Testing Department.

   (b) To maintain the current accreditation programme.

   (c) To improve the VLA teamscore under the EFQM Excellence Model.

Financial Performance

5. To recover the full economic cost (before exceptional items and calculated in accordance with resource accounting principles) of its services.

6. To operate within 95 per cent. and 100 per cent. of allocations by the MAFF Management Board for running costs, capital and receipts.

Central Science Laboratory

Helen Jones: To ask the Minister of Agriculture, Fisheries and Food what targets he has set the Central Science Laboratory for 2000–01. [120980]

Mr. Nick Brown: I have set the Central Science Laboratory the following performance targets for 2000–01:

Efficiency

1. To deliver the efficiency targets set out in the Business Plan.

Quality and Delivery of Science

2. To review the methodology used for assessing customer satisfaction and undertake a survey in spring 2001 based on the review results.

3. To achieve a minimum of 85 per cent. of project milestones in MAFF commissioned projects.

Financial Performance

4. To recover the full economic costs (calculated according to resource accounting principles) of its services, after allowing for relocation costs.

5. To operate within 95 per cent. and 100 per cent. of allocations by the MAFF Management Board for running costs, capital and receipts.

Centre for Environment, Fisheries and Aquaculture Science

Helen Jones: To ask the Minister of Agriculture, Fisheries and Food what targets he has set the Centre for Environment, Fisheries and Aquaculture Science for 2000–01. [120981]

Mr. Nick Brown: I have set the Centre for Environment, Fisheries and Aquaculture Science the following performance targets for 2000–01:

Delivery of Service

1. To give satisfaction to its customers in the way that outputs are provided taking account of the relevance, timeliness and value for money of outputs and the achievement of ROAME milestones.

Quality of Science

2. To make satisfactory progress with the Action Plan resulting from the 1999–2000 Science Audit.

Efficiency

3. To achieve the savings forecast in the Efficiency Plan.

Financial Performance

4. To recover from Government Departments and agencies and external customers the full economic costs (calculated according to resource accounting principles) of its services.

5. To operate within 95 per cent. and 100 per cent. of allocations by the MAFF Management Board for running costs, capital and receipts.

TREASURY

Energy (Domestic Users)

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer if he will list the recent studies *(a)* undertaken, *(b)* commissioned and *(c)* reviewed by his Department that assess the elasticity of demand of domestic users of energy with respect to the price they pay; and if he will make a statement. [120413]

Mr. Timms: "Energy Projections for the UK, Working Paper, March 2000", made available by the Department for Trade and Industry alongside the Government's draft Climate Change Programme, implicitly includes within its projections updated estimates of the price elasticities of demand for domestic fuels. Previous to this, the Institute for Fiscal Studies produced a working paper for Customs and Excise titled "The Simulation of Indirect Tax Reforms: The IFS Simulation Program for Indirect Taxation (SPIT)" which also looked at the elasticity of demand for domestic fuel and power.

Labour Market Data

Mr. Fallon: To ask the Chancellor of the Exchequer if he will list the pre-release recipients of labour market data from the Office for National Statistics. [120228]

Miss Melanie Johnson *[holding answer 2 May 2000]:* In accordance with long-standing practice, this information is provided to a tightly restricted group of officials on a strict "need-to-know" basis.

MEP Pensions

Mr. Wigley: To ask the Chancellor of the Exchequer what was the cost to his Department of funding the pensions of Members of the European Parliament in each of the last three years; to how many beneficiaries these payments are made; and what estimate he has made of the future annual liability for making such pension payments. [119585]

Mr. Andrew Smith: Expenditure on pensions is met from the EC budget.

Sustainable Development

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer if it is the Government's policy that each Government Department should give equal priority to promoting social progress, effective protection of the environment, the prudent use of natural resources and the maintenance of high and stable levels of growth in the second comprehensive spending review; how many times the Chairman of the Green Ministers Group has met the Chief Secretary to the Treasury to discuss integrating sustainable development in the second comprehensive spending review; how many of the draft public service agreements submitted to the Treasury explicitly refer to the promotion of sustainable development; and if he will make a statement. [119784]

Mr. Andrew Smith: At the start of the Spending Review last autumn, sustainable development was identified as a common issue for all Departments to take into account when drawing up their spending proposals. The Government's approach to sustainable development is set out in "A Better Quality of Life", published in May 1999.

The Treasury asked that Green Ministers in Departments be closely involved in the preparation and conduct of Departmental contributions to the Review, to ensure that proper consideration is given to sustainable development issues. All Departments have now made their submissions, and the Treasury is assessing them to determine the extent to which further work is needed. Significant points are included in my Spending Review meetings with colleagues.

The Financial Secretary acts as the Green Minister for the Chancellor's departments and as such attends Green Ministers meetings with the Chairman of that Group.

Single Flights

Mr. Welsh: To ask the Chancellor of the Exchequer what is the taxable position of single flights *(a)* from and *(b)* to regions designated in section 19 of the Finance Bill. [120629]

Mr. Timms *[holding answer 2 May 2000]:* The effect of Clause 19 will be that passengers on flights from airports in the Scottish Highlands and Islands will be relieved of air passenger duty. Flights to the Scottish Highlands and Islands from other parts of the UK will not be covered by the exemption. However, the provisions of Clause 18 will mean that the duty on economy flights to the Scottish Highlands and Island will be halved to £5 while the duty on non-economy flights will remain at £10. Flights between airports in this region will be entirely exempt from duty.

National Insurance

Mr. Willetts: To ask the Chancellor of the Exchequer what plans he has to increase the level of interest paid on backdated national insurance contribution rebates. [119940]

Dawn Primarolo *[holding answer 20 April 2000]:* The Department has paid, automatically, an additional 0.5 per cent. for each month of delay beyond October 1998. These payments are continuing, with Age Related Rebate payments due to be paid on 2 May 2000, increased by 9.5 per cent.

The Department's compensation scheme is regularly reviewed and any changes to current arrangements will be published in the normal way.

Region (Definition)

Mr. Welsh: To ask the Chancellor of the Exchequer what is his definition of "region" as used in section 19 of the Finance Bill; and how this relates to local government area and ward boundaries. [120628]

Mr. Timms *[holding answer 2 May 2000]:* Clause 19 introduces a provision which will allow passengers on flights from airports in certain regions to be exempt from Air Passenger Duty (APD). The regions will be defined by Treasury Order and it is the Government's intention that the order will name the Scottish Highlands and Islands. This region includes the local authority areas of Orkney, Shetland, Western Isles, Highland, Argyll and Bute, part of North Ayrshire and part of Moray.

Climate Change Levy

Mr. Hawkins: To ask the Chancellor of the Exchequer what provision he has made to take account of the

anti-competitive impact of relief from climate change taxes or levies made by environmental ministries in other EU countries as applied to gas companies. [120100]

Mr. Timms: The Government have sought to design the climate change levy in a way that maximises its environmental effectiveness while protecting the competitiveness of UK firms. This has involved taking into account developments in other EU countries.

In total, seven European Union countries have introduced carbon or energy taxes since 1990. The European Commission considers compliance with state aids rules for any reliefs from these taxes.

On current projections, most OECD countries will need to introduce new measures of one form or another if they are to meet their Kyoto targets for reducing greenhouse gas emissions.

Educational Qualifications

Mr. Gerald Howarth: To ask the Chancellor of the Exchequer how many of those in *(a)* 1980 and *(b)* 1999 in the lower quartile of earners had no educational qualifications. [120665]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Pullinger to Mr. Gerald Howarth, dated May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question on the number of people in the lower quartile of earners who had no educational qualifications. I am replying in the Director's absence.

The Labour Force Survey (LFS) is the ONS's main source of labour market data on individuals. It can provide information on the earnings and qualifications of employees. However, no LFS data on earnings are available prior to winter (December-February) 1992/3.

In Great Britain in autumn (September to November) 1993, 1,611,000 employees aged 16 and over in the lower quartile earnings group (based on gross weekly earnings) had no qualifications. This was 30.2 per cent. of all employees aged 16 and over in this earnings group. In autumn 1999, the corresponding figures were 1,140,000 and 91.4 per cent. The figures are not seasonally adjusted.

Mr. Gerald Howarth: To ask the Chancellor of the Exchequer how many of the long-term unemployed in *(a)* 1970, *(b)* 1980 and *(c)* 1999 had no educational qualifications. [120666]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Pullinger to Mr. Gerald Howarth, dated 3 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question on long-term unemployed people with no educational qualifications. I am replying in the Director's absence.

Estimates of economic status and educational qualifications are available from the Labour Force Survey (LFS). Non-seasonally adjusted estimates from the spring (March-May) 1999 quarter for the UK show that 33 per cent. (170 thousand) of long-term unemployed people of working age had no educational qualifications. This compares with 59 per cent. (882 thousand) in the same period in 1984 (the earliest date for which a comparable estimate can be provided.).

The measure of unemployment derived from the LFS is defined on a consistent and internationally recognised basis set out by the International Labour Organisation (ILO). It counts as unemployed people who are a) without a paid job, b) available to start work within the next two weeks and c) have either looked for work in the last four weeks or are waiting to start a job already obtained. Long-term unemployed are those who have been ILO unemployed for one year or more.

Teenage Suicides

Mr. Gerald Howarth: To ask the Chancellor of the Exchequer how many teenage suicides there were in *(a)* 1970, *(b)* 1980 and *(c)* 1999; and what percentage of teenage suicides occurred in homes at a time when (i) one parent and (ii) both parents were present. [120663]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Pullinger to Mr. Gerald Howarth, dated 3 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question on teenage suicides in *(a)* 1970, *(b)* 1980 and *(c)* 1999; and the percentage of teenage suicides occurring in homes at a time when (i) one parent and (ii) both parents were present. I am replying in the Director's absence.

Figures for the number of suicides for 1970, 1980 and 1998, the latest year for which figures are currently available, are given in the attached table.

For adult deaths our usual practice is to define suicides as including both suicides and deaths from injury and poisoning undetermined whether accidentally or purposely inflicted. It is likely that most undetermined deaths (open verdicts) among adults are cases where the harm was self-inflicted but there was insufficient evidence to prove that the deceased deliberately intended to commit suicide. This is not necessarily the case for children and the categories are therefore separately presented here.

Information is routinely collected on the place of death, but not on the place of occurrence of the suicide attempt. In many cases where the initial attempt was at home, the patient would ultimately die in hospital. Any statistics on suicide deaths at home would therefore understate the real level. Information on persons present at a death is not routinely recorded.

Suicide and undetermined injury deaths for teenagers (ages 13 to 19), England and Wales

	1970	*1980*	*1998*
Suicide and self inflicted injury[1]	79	126	110
Injury undetermined whether accidentally or purposely inflicted[2]	31	62	81

[1] International Classification of Diseases, Eighth and Ninth Revisions, codes E950-E959

[2] International Classification of Diseases, Eighth Revision (1970), codes E980-E989, Ninth Revision (1980 and 1998), codes E980-E989 excluding E988.8

Family Statistics

Mr. Gerald Howarth: To ask the Chancellor of the Exchequer if he will estimate the average fall in income arising from divorce for a divorced *(a)* father and *(b)* mother with their children in (i) 1980 and (ii) 1999. [120661]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Pullinger to Mr. Gerald Howarth, dated 3 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question asking for an estimate of the average fall in income arising from divorce for a divorced (a) father and (b) mother with their children in (i) 1980 and (ii) 1999. I am replying in the Director's absence.

The ONS does not make estimates of this kind. One non-government source that allows this type of analysis is the British Household Panel Study, funded by the Economic and Social Research Council (ESRC). This survey has followed a sample of households each year since 1991 and has information about the incomes and marital status of household members in each of these years. The Institute for Social and Economic Research (ISER, formerly the ESRC Research Centre on Micro-Social Change) published an analysis showing the effect of marital splits on income between 1991 and 1994. This was published in 1997 as 'Marital splits and income changes: evidence for Britain' (Working Paper 97–4). You can obtain a copy from the information officer at the ISER, tel: 01206 872938.

Divorce

Mr. Gerald Howarth: To ask the Chancellor of the Exchequer how many of *(a)* the total unemployed and *(b)* the long-term unemployed in (i) 1970, (ii) 1980 and (iii) 1999 were divorced. [120667]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Pullinger to Mr. Gerald Howarth, dated 3 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question on the numbers of unemployed people with were divorced. I am replying in the Director's absence.

Estimates of economic and marital status are available from the Labour Force Survey (LFS). The table gives non-seasonally adjusted LFS estimates of the unemployed who were divorced in the spring (March-May) quarter of 1999 and the same period in 1984 (the earliest date for which a comparable estimate can be provided).

The measure of unemployment derived from the LFS is defined on a consistent and internationally recognised basis set out by the International Labour Organisation (ILO). It counts as unemployed people who are a) without a paid job, b) available to start work within the next two weeks and c) have either looked for work in the last four weeks or are waiting to start a job already obtained. Long-term unemployed are those who have been ILO unemployed for one year or more.

Divorced persons by length of ILO unemployment UK, 1999 and 1984, Spring (March to May) of each year

	All persons (000)	*Divorced persons (000)*	*Divorced (%)*
1999			
All ILO Unemployed	1,752	170	10
Unemployed one year or more	522	68	13
1984			
All ILO Unemployed	3,216	167	5
Unemployed one year or more	1,540	99	6

Source:
Labour Force Survey, ONS

HOME DEPARTMENT

Animal Experiments

Mr. Wyatt: To ask the Secretary of State for the Home Department if tobacco smoke is used as an agent in research on animals under the Animals Scientific Procedures Act 1986; and if he will make a statement. [119718]

Mr. Mike O'Brien: The Government stand firmly by their ban on the testing of tobacco products announced in November 1997. There will be no approval for any such tests.

Two recently approved applications are for programmes that do not test the effects of tobacco smoke, which are already widely known, but enable the development of treatments for chronic obstructive pulmonary diseases such as bronchitis and emphysema which seriously debilitate many people. These health problems derive mainly from smoking, including passive smoking, as well as occupation-related lung diseases, such as those caused by the inhalation of coal dust. Tobacco smoke is the only test material to model reliably the effects that will enable a better understanding of the disease processes and improved medical treatments. The licensed research programmes are to investigate medical treatments, not the safety of tobacco products.

The Inspectorate and the Animal Procedures Committee have advised that the licences are justifiable and that the benefits to man and animals would outweigh the costs to the animals involved. As with all project licence applications, these two licences were issued only after a full and careful assessment including whether there were alternatives which replace animal use, reduce the number of animals needed or refine the experimental design to minimise suffering.

Cannabis

Mr. Hilary Benn: To ask the Secretary of State for the Home Department what has been the total number of *(a)* convictions and *(b)* police cautions for possession of cannabis in each year since 1980. [119921]

Mr. Charles Clarke: The information requested for the period 1980 to 1998, the latest year for which figures are currently available, is given in the table. Separate breakdowns are not available for cautions and convictions prior to 1982.

Cautions and convictions for possession of cannabis, UK 1980 to 1999

	Number of cautions	*Number of convictions*
1980	[1] —	[2] 12,450
1981	[1] —	[2] 13,074
1982	422	14,856
1983	1,078	16,628
1984	1,948	15,914
1985	3,328	14,885
1986	4,014	12,421
1987	5,747	12,833
1988	8,307	14,921
1989	11,781	18,249
1990	16,282	19,804
1991	19,583	18,874
1992	22,113	15,330
1993	30,871	14,495
1994	39,248	25,850

Cautions and convictions for possession of cannabis, UK 1980 to 1999

	Number of cautions	*Number of convictions*
1995	41,155	27,447
1996	38,318	26,636
1997	45,362	32,150
1998	48,480	40,119

[1] Not available

[2] Total number of cautions and convictions

Source:

Home Office Research, Development and Statistics Directorate

Stop and Search

Ms Buck: To ask the Secretary of State for the Home Department what the breakdown was by percentage of stop and searches for each police borough in the Metropolitan police area under section 1 of the Police and Criminal Evidence Act 1984 by *(a)* ethnic appearance and *(b)* reason for search, in 1998–99. [119830]

Mr. Charles Clarke: The Commissioner of Police of the Metropolis has provided the information requested which I have placed in the Library.

These statistics update those published by the Home Office, under section 95 of the Criminal Justice Act 1991, in 'Statistics on Race and the Criminal Justice System', in December 1999.

Prisoners (Progressive Moves)

Mr. Gerrard: To ask the Secretary of State for the Home Department on what date Quayyum Raja, currently detained at HMP Long Lartin, was convicted; what was his sentence; how long he has been detained at Long Lartin; and when he is due to be released. [120035]

Mr. Boateng: Quayyum Raja was sentenced to life imprisonment on 7 February 1985. He was given a tariff of 25 years which expires on 1 February 2009. His readiness for release or transfer to open conditions will be considered by the Parole Board for the first time in 2006. He has been detained at Long Lartin prison since 17 February 1992.

Mr. Gerrard: To ask the Secretary of State for the Home Department how many prisoners detained at HMP Long Lartin were offered progressive moves to other prisons in each of the last three years, and in the current year to date, and of those how many *(a)* accepted and *(b)* declined the transfer; and of those who declined the transfer, how many were placed in segregation. [120004]

Mr. Boateng: This information is not readily available and cannot be provided in the form requested except at disproportionate cost. It is known, however, that during the last 30 months Long Lartin prison has offered progressive moves to approximately 50 category B life sentence prisoners.

A minority of prisoners do indicate a reluctance to comply with initial transfer instructions, but in almost all cases do move following representations to Prison Service headquarters.

Prisoners are not placed in segregation for refusing a progressive move.

Mr. Gerrard: To ask the Secretary of State for the Home Department if prisoners who undertake a progressive move normally become eligible for home leave or parole prior to release. [120036]

Mr. Boateng: Life sentence prisoners become eligible for escorted absences to towns near their establishments after having completed six months in category C conditions. They are not eligible for any form of unsupervised home leave or any other form of temporary release until they have reached open conditions.

All prisoners sentenced to determinate sentences of four years or more are eligible to be considered for parole once they reach the halfway point of their sentence. Moves between prisons and recategorisation do not affect their eligibility for parole.

Mr. Gerrard: To ask the Secretary of State for the Home Department for what reason Mr. Quayyum Raja was placed in segregation at HMP Long Lartin after refusing a progressive move to HMP Swaleside; and whether *(a)* he and *(b)* his officials were informed of this prior to the segregation taking place. [120037]

Mr. Boateng: Mr. Quayyum Raja has never been placed in segregation as a result of refusing a progressive move from Long Lartin to Swaleside prison.

Mr. Raja's refusal to move to Swaleside was in contravention of his sentence plan, a crucial part of his progress towards eventual release. This led to him being downgraded to basic level on the Prison Service incentives and earned privileges scheme and moved to the basic regime wing at Long Lartin prison.

The Prison Service has now re-considered Mr. Raja's case in the light of recent changes in the availability of accommodation at Gartree prison and Mr. Raja has now accepted a move to Gartree.

Black Box Recorders

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department when the Metropolitan police expects to install black box recorders in its police vehicles; and if he will make a statement. [120000]

Mr. Charles Clarke: The Commissioner of the Police of the Metropolis has informed me that the tendering process for the supply of black box recorders for police vehicles is under way and it is hoped that a contract will be awarded shortly. A phased installation programme will then take place.

Illegal Drugs (Lancashire)

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department how many convictions there were in Lancashire in each year since 1995 for *(a)* offering to supply or supplying and *(b)* possessing (i) cannabis and (ii) ecstasy. [119848]

Mr. Charles Clarke: The information requested for the period 1995 to 1998, the latest year for which figures are currently available, is given in the table.

Convictions in Lancashire for supply and possession of cannabis and ecstasy, 1995–98

	1995	1996	1997	1998
Supply				
Cannabis	56	53	49	67
Ecstasy	10	17	15	9
Possession				
Cannabis	678	720	1,010	1,338
Ecstasy	38	49	38	25

Note:
Offering to supply and supply of drugs are both caught by Section 4(3) of the Misuse of Drugs Act 1971 and are not differentiated for statistical purposes.
Source:
Home Office Research, Development and Statistics Directorate

Lord Archer

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department what is the estimated cost to date of the Metropolitan police investigation into the allegations of perjury made against Lord Archer of Weston-Super-Mare. [120001]

Mr. Charles Clarke: The Commissioner of Police of the Metropolis has informed me that up to 19 April, the staffing cost of the Organised Crime Group investigation into allegations of perjury made against Lord Archer is approximately £31,000.

Asylum Seekers

Mr. Cox: To ask the Secretary of State for the Home Department how many applications for political asylum in the UK in 1999 were *(a)* approved and *(b)* refused. [119280]

Mrs. Roche: The information requested is given in the table. The latest information on asylum is available on the Home Office internet site at http://www.homeoffice.gov.uk/rds/index.htm. This information is updated on a monthly basis.

Applications received for asylum in the United Kingdom, excluding dependants, by location of application, and decisions, 1999[1] *United Kingdom*

	Annual total
Applications received:	
Total applications	71,160
Applied at port	29,455
Applied in country[2]	41,700
Decisions:[3,4]	
Total decisions	[5]32,330
Cases considered under normal procedures:	
Recognised as a refugee and granted asylum	[5]7,075 [6](36%)
Not recognised as a refugee but granted exceptional leave	[5]2,110 [6](11%)
Refusals:	
Total refused	[5]10,685 [6](54%)
Refused asylum and exceptional leave after full consideration	[5]7,735 [6](39%)
Refused on safe third country grounds	1,830 [6](9%)
Refused on non-compliance grounds[7]	[5]1,120 [6](6%)
Backlog clearance exercise:	
Granted exceptional leave under backlog criteria[8,9]	11,230 [6](90%)
Refused on non-compliance grounds under backlog criteria[8,10]	1,230 [6](10%)
Applications withdrawn:	730

[1] Figures (other than percentages) rounded to the nearest five.
[2] This excludes some cases lodged at Local Enforcement Offices and some postal applications.
[3] Decisions do not necessarily relate to applications made in the same period.
[4] Information is of initial determination decisions, excluding the outcome of appeals or other subsequent decisions.
[5] Provisional figures.
[6] Percentages for cases considered under normal procedures and those within the backlog clearance exercise, are calculated separately.
[7] Paragraph 340 (paragraph 180F prior to 1 October 1994) of the Immigration Rules, for failure to provide evidence to support the asylum claim within a reasonable period, including failure to respond to invitation to interview to establish identity.
[8] Cases decided under pragmatic measures aimed at reducing the pre 1996 asylum application backlog.
[9] Includes a small number of cases where asylum has been granted.
[10] Includes a small number of cases where the application has been refused on substantive grounds.
Notes:
1. Decision figures for January to March 1999 are low due to significant interruption to the casework operation during the transition of IND staff to Integrated Caseworking. This interruption also effects a small proportion of in-country applications in January 1999 which have been estimated.
2. Port figures for January 1999 are estimated and subject to revision.

Probation

Jackie Ballard: To ask the Secretary of State for the Home Department what was the average length of time from breach of a probation condition to the offender's appearance in court for each probation service in England and Wales in the last 12 months for which figures are available. [120191]

Mr. Boateng: There is currently no centrally held data on this. We are trying to ascertain the national picture and are in the process of obtaining information which may provide an indication of the average time lapse between the service instigating breach action with the court and the breach sentence hearing. The results are not yet available, but I will write to the hon. Member as soon as the position is clearer.

Jackie Ballard: To ask the Secretary of State for the Home Department how many unexecuted warrants for the arrest of offenders in breach of probation conditions are held by each police force in England and Wales. [120192]

Mr. Charles Clarke: The information requested is not available centrally. However, the Government are concerned that warrants in respect of breaches of community sentences should be executed as soon as possible, and we are currently undertaking some research to determine the current position. I shall write to the hon. Member when the results are available.

Special Constables (Ethnic Minorities)

Mr. Cox: To ask the Secretary of State for the Home Department how many *(a)* men and *(b)* women from ethnic minority communities living within Greater London were special constables on 1 April. [120071]

Mr. Charles Clarke: The Commissioner of Police of the Metropolis informs me that on 1 April 2000, 92 men and 28 women from ethnic minority communities were serving as special constables with the Metropolitan police.

Passports

Mr. Gibb: To ask the Secretary of State for the Home Department how many foreign passports the Passport Office holds which are currently unaccounted for. [120119]

Mrs. Roche: The Immigration and Nationality Directorate (IND) is, at present, holding some 300 foreign passports for which there is no current address for the owners. Arrangements are being made to return the documents to the appropriate embassy or High Commission in the United Kingdom.

Disabled Prisoners

Ms Ward: To ask the Secretary of State for the Home Department what assessment he has made of the impact of the Disability Discrimination Act 1995 on facilities for disabled prisoners. [120612]

Mr. Boateng: The Prison Service has developed policies that reflect the requirements of Part III of the Disability Discrimination Act 1995 (Goods, Facilities and Services) at each of its implementation stages.

A working group has been established by the Prison Service to assess the impact of the next stage of the Act, due in 2004, and to develop policies that will enable it to meet those requirements.

Prisons (Mother and Baby Units)

Sir Peter Lloyd: To ask the Secretary of State for the Home Department how many mothers with young babies sentenced or remanded to prison were admitted to mother and baby units in the most recent 12 month period for which figures are available. [120622]

Mr. Boateng: There are 64 places in total available in the four prison mother and baby units. On 17 April 2000, there were 51 mothers and their babies in the units.

The information requested is given in the table.

Number of mothers admitted to prison mother and baby units for the period 5 April 1999 to 4 April 2000

	Remands	*Convicted awaiting sentence*	*Sentenced*	*Total*
Askham Grange	0	0	10	10
Holloway	3	2	34	39
New Hall	5	0	20	25
Styal	4	0	20	24
Total	12	2	84	98

Sir Peter Lloyd: To ask the Secretary of State for the Home Department what efforts are made to inform women received into prisons that they may apply for a place in a mother and baby unit if they already have a baby. [120621]

Mr. Boateng: The Prison Service Order on "The Management of Mother and Baby Units and the Application Process", which was published in February, requires all women's prisons to appoint a named liaison officer to be responsible for ensuring that all women, sentenced or unsentenced, who are pregnant or have a child under eighteen months are identified and informed of the arrangements for applying for a place on a mother and baby unit. All women's prisons now have a named liaison officer.

A new prisoner information booklet "All About Mother and Baby Units" was published and widely distributed to all women's prisons in March. Any eligible woman prisoner who expresses an interest in applying for a place for her child must be provided with the booklet which contains the standard application form.

Internet Voting

Mr. Paul Marsden: To ask the Secretary of State for the Home Department what plans he has to introduce voting via the Internet in *(a)* local, *(b)* national and *(c)* European elections; and if he will make a statement. [120368]

Mr. Mike O'Brien: The Representation of the People Act 2000 allows local authorities to make applications to run pilot schemes involving innovative electoral procedures. Five local authorities will be piloting electronic voting or counting at the local elections on 4 May 2000 though none of these schemes involves internet voting.

Women Prisoners (Maternity Pay)

Sir Peter Lloyd: To ask the Secretary of State for the Home Department if women prisoners who have been employed inside prisons and give birth are paid maternity pay. [120620]

Mr. Boateng: Women prisoners who have been employed within prisons and give birth are paid an allowance under regulations set out in the Prisoner Pay Manual 1992 and Standing Order 6 regulations 1993. Under these regulations, scope exists for establishments to set their own rates of pay in addition to the prescribed minima. Women prisoners are entitled to child benefit if their babies remain with them. Consideration is currently being given to introducing specific maternity pay where a woman prisoner is unable to work as a consequence of pregnancy, childbirth or caring for a child.

CABINET OFFICE

Online Services

Mr. Robert Jackson: To ask the Minister for the Cabinet Office if she will list the services which *(a)* her Department and *(b)* the executive agencies responsible to her Department (i) provide online and (ii) expect to be deliverable online by 2002. [119446]

Mr. Ian McCartney: So that the Cabinet Office can publish the spring 2000 report monitoring progress towards delivery of all Government services electronically by 2005 we are currently collecting data which will include our progress on delivering 25 per cent. of Government services electronically by 2002. I do not want to pre-empt that report; however, I have included examples of the electronic services we provide, or are planning to provide, in the table.

Name	*Services currently provided online*	*Services expected to be deliverable by 2002*
Cabinet Office, including: (www.cabinet-office.gov.uk)		
Central Secretariat	None at present	*The Civil Service Guidance Directory* will be put on the internet which will have an Access search database for people to find their way around the document.
Civil Service Pensions		Roll-out of full computerised pension administration system PenServer (August/September 2000). Electronic access for pensioners introduced (autumn 2000). Internet access for employers/scheme members to access personal data planned through PenWeb (December 2002). New Civil Service pension arrangements will be web-enabled, with communications strategy designed in that context (January 2002).
Fast Stream, European and Recruitment Division	Civil Service Recruitment website gateway. Vacancy gateway established with departments December 1999. Site currently under reconstruction. Finance being sought for further development similar to that of the award-winning Army site by December 2000.	Fast stream recruitment (May 2001). New contracts are currently being tendered. The new arrangements will involve a mix of in-house and external service delivery, all linked via a single communications portal and IT/IS support facilities. The new arrangements will provide the option for electronic application handling; and will replace paper-based testing at sift stage (12,000 candidates) with computer-based testing.
Government Information and Communication Service (www.gics.gov.uk)	Website already established (July 1999) to replace paper versions of recruitment material and provide additional information about the workings of GICS to potential new recruits.	Work now under way to establish a system which will enable candidates to receive application forms and complete them electronically for postal return of signed hard copy, by mid 2001. The intention is to establish a system where all stages of the recruitment process can be completed electronically—the timing of our ability to receive completed application forms electronically will depend on progress towards a widely accepted form of electronic signature.
Her Majesty's Stationery Office (www.hmso.gov.uk)	In June 1999 an electronic order form was introduced to enable MEPs to order official publications via HMSO over the internet. Inforoute gateway at prototype stage. Most Departments in early stages of developing their Information Asset Registers. Work is under way to ensure seamless access via the web, streamlined procedures for creating records, and close co-ordination with other information management initiatives. Submitting application to reproduce Crown and Parliamentary copyright protected material Database of full-text copies of UK legislation	Future plans are for Standard Licence Terms for reproduction of extracts from Crown and Parliamentary copyright protected material—apply and receive electronically.
Information Division	1. Press Notices—Issue of Press Notices (in association with COI) to journalists. Version 4.0 in place which allows us to e-mail press notices to COI-NDS who process file and fax to a specified list (which we maintain). Possible for press notice to be on 999 recipients fax machines approximately two minutes after the transfer of the file to COI is complete.	Version 5.0 of the software will allow the same process to be carried out but the delivery will also be available by e-mail.
	2. Cabinet Office Research and Briefing System—The system is in a prototype form at present. A project plan has been written and is being implemented. A staged roll-out will take place, which when completed will allow all divisions in the Cabinet Office to access and input information.	Initial 1st phase roll-out by the end of March—full roll-out to be agreed, but probably no later than the end of May.
Modernising Public Services (www.servicefirst.gov.uk)	Spreading Best Practice database—Online database established in July 1999, and copies of most Cabinet Office best practice publications are contained in a virtual library.	The best practice website will be extended to provide a gateway to best practice material across the public sector by 2003. CharterMark Assessment—Considering the possibility of allowing Charter Mark applicants to apply for the Award online. No firm plans yet.
Procurement Unit (www.cabinet-office.gov.uk/purchasing/index.htm)	None at present	The Unit will be expanding its electronic communications with suppliers, but cannot predict the extent to which that will have been achieved by 2002. The Unit is dependent on developments being undertaken by others, particularly the Office of Government Commerce.
Public Appointments Unit (www.Public-appointments-directory.gov.uk)	The placing on the GSI of the Public Appointments Unit 'Central List'. This is a database which contains details of approximately 5,500 people seeking a public appointment. Work is continuing with COI on a tendering exercise for the 'Central List' to be placed on the GSI. It is anticipated that the 'Central List' will be available via the GSI by the end of 2000.	The Unit is also planning to put their PAU Application form on.

Name	*Services currently provided online*	*Services expected to be deliverable by 2002*
The QUANGO website (www.Quango.gov.uk)	The 'Quango' website on the Cabinet Office internet site is being developed and enhanced. It is planned that the website will have links to all advertisements for public appointments; an electronic application form for the 'Central List'; and news of public appointments for candidates. Work is under way to establish links to OGDs websites. COI has been commissioned to produce the new application form, which will be put on the 'Quango' website.	The Unit is dependent on OGDs websites. However, it is anticipated that most departments will have a Public Appointment website that we will be able to link with by the end of 2001.
Regulatory Impact Unit (www.cabinet-office.gov.uk/regulation/index.htm)	In order to improve the quality of regulation enforcement, the Cabinet Office (Regulatory Impact Unit) commissioned external consultants to set up a web called INFOSHOP. The INFOSHOP System is designed to answer queries on food safety, health and safety, building control and planning regulation.	Pilot January 2000 to April 2000. Pilot report May 2000–02–28. 2000, server based system rolled out to local authorities. 2000, web-based version rolled out; likely to be by Small Business Service.
Social Exclusion Unit (www.cabinet-office.gov.uk/seu/index.htm)	The Social Exclusion National Strategy for Neighbourhood Renewal consultation report published recently invites members of the public to send their responses through via the internet link to an e-mail address within the Unit. The Unit will provide this online service for all future consultation exercises.	The Unit is also proposing a complete re-design of its existing website. This re-design will seek to incorporate Chat Forums, a Newsgroup Bulletin Board and as many up to date facilities as possible to enable individuals and organisations to obtain and exchange information with the Unit.
Agencies		
Government Car and Dispatch Agency	GCDA does not currently have an internet site. They are targeted to have their own presence by April 2001.	GCDA expect to be trading online with customers by April 2002.
Central Office of Information (www.coi.gov.uk/coi	COI does not provide services to the public. As part of its service to other Government Departments, COI issues Government press releases through its dedicated News Distribution Press Release website, which can also be accessed via a link from COI's general website.	There are no plans to introduce further online services through the COI websites.

HEALTH

Health Facilities (Shropshire)

Mr. Peter Bradley: To ask the Secretary of State for Health if he will list by constituency the *(a)* GP surgeries, *(b)* dental practices, *(c)* pharmacies and *(d)* cottage hospitals serving rural communities in Shropshire which (i) closed and (ii) opened (1) between 1979 to 1997 and (2) since May 1997. [118550]

Yvette Cooper: The information requested is not available by constituency for general practitioner surgeries, cottage hospitals and pharmacies—the figures for Shropshire as a whole are available. Information for dental practices is listed by constituency but is only available for the earlier period between January 1988 and April 1997.

1979 - 1997

GP Surgeries

There were no main surgery closures during this period, although a small number of branch surgeries or outlying consulting facilities did close. A new main GP surgery opened in Telford.

Dental practices

	Period between Jan 1988 to Apr 1997	
Constituency	*Practice closed*	*Practice opened*
Ludlow	2	1
North Shropshire	1	6
Shrewsbury and Atcham	5	3
Telford	2	4
The Wrekin	1	2
Total	11	16

Dental practices may include not only those in the General Dental Service but also practices for the Emergency Dental Service and Personal Dental Service. Some closures and openings are for the same location where the practice has reopened under a different name. Also, a number of dental practices did cease to treat some or all of their patients as National Health Service patients during this period.

Cottage Hospitals

The following eight cottage hospitals closed during the period 1979–1997:

Broseley Hospital

Wellington Cottage Hospital

Ellesmere Cottage Hospital

Much Wenlock Cottage Hospital

Oswestry and District Hospital

Market Drayton Cottage Hospital

Newport Hospital

Whitchurch Cottage Hospital.

During this period, the following hospitals were also closed:

Wrekin Hospital (geriatric unit, but GP maternity inpatient service remains)

Crosshouses (geriatric unit—currently used as NHS trust offices)

The Beeches (geriatric unit—now an independent sector nursing home)

Monkmoor (geriatric unit).

Pharmacies

During the period 1979–1997, three pharmacies closed.

May 1997 to date

GP Surgeries

There have been no GP surgery closures since May 1997. One new surgery in Telford has opened which is a personal medical services pilot project.

Dental practices

	Period between May 1997 to Jan 2000	
Constituency	*Practice closed*	*Practice opened*
Ludlow	0	2
North Shropshire	1	1
Shrewsbury and Atcham	0	4
Telford	1	2
The Wrekin	0	4
Total	2	13

Many of the opening practices have been due to investing in dentistry and personal dental service schemes.

Cottage Hospitals

There have been no cottage hospital closures since May 1997. Extensive development is taking place at Bridgnorth Community Hospital.

Pharmacies

There have been two community pharmacy closures and one pharmacy opening since May 1997.

Free School Milk

Mr. Breed: To ask the Secretary of State for Health (1) what recent representations he has received regarding the reintroduction of free milk for school children; [119008]

(2) what recent discussions he has had with the Secretary of State for Education and Employment regarding the reintroduction of free milk for school children; and if he will make a statement. [119010]

Yvette Cooper: Policy on school milk is a matter for my right hon. Friend the Secretary of State for Education and Employment and representations on this matter are passed to him for consideration. One representation has been received as part of the consultation on the scientific review of the welfare food scheme. It is being considered along with all the other responses received.

My right hon. Friend the Secretary of State for Health has not had any recent discussions with my right hon. Friend the Secretary of State for Education and Employment regarding the reintroduction of free milk for school children.

Taxol and Taxitere

Mr. Fabricant: To ask the Secretary of State for Health if Taxol and Taxitere are available free of charge to NHS cancer patients in the South Staffordshire Health Authority area. [119179]

Yvette Cooper: Taxanes, a group of cancer drugs including Taxol and Taxitere, are funded on the National Health Service in the South Staffordshire Health Authority area. Each case is assessed on an individual basis as to the potential benefits of using this particular group of drugs.

Nationally, the efficiency and effectiveness of taxanes is currently being assessed by the National Institute of Clinical Excellence. The process is still continuing, but we expect the guidance to be issued shortly.

Cancer Services

Dr. Gibson: To ask the Secretary of State for Health (1) what guidelines he has issued to *(a)* GPs and *(b)* health authorities regarding the diagnosis guidelines issued in the paper entitled, "Beating Bowel Cancer"; and if he will make a statement; [118959]

(2) what assessment his Department has made of the diagnosis guidelines issued by the paper entitled "Beating Bowel Cancer"; and if he will make a statement. [118960]

Yvette Cooper: "Beating Bowel Cancer" aims to raise awareness of the symptoms of colorectal cancer. The Department published cancer referral guidelines, including those for suspected colorectal cancer, on the NHSWeb and the internet on 31 March. We are also sending copies to all general practitioners in England as well as to health authorities, National Health Service trusts and primary care groups. These guidelines will help GPs to identify more easily those patients with suspected cancer so that they can be referred promptly and appropriately for specialist investigation.

Dr. Gibson: To ask the Secretary of State for Health how much the NHS spent on supportive care treatments for cancer for each of the last five years; broken down by tumour type. [118963]

Yvette Cooper: Supportive treatments for cancer sufferers are important for maintaining quality of life for cancer patients by alleviating pain, countering the side effects of other treatments and for secondary prevention.

Information on spend on cancer treatment in supportive care is not currently available.

The Department has commissioned work to improve overall National Health Service information, including national statistics on hospital prescribing, which will give us a more accurate method of recording hospital expenditure in cancer treatment.

Dr. Gibson: To ask the Secretary of State for Health what representations he has received regarding the Medical Research Council's proposed CR08 trial into the treatment of colorectal cancer; and if he will make a statement. [118958]

Yvette Cooper: The Medical Research Council are still finalising the details of this trial to assess the role of two new agents in the management of advanced colorectal cancer.

The arrangements for National Health Service support for the trial will be handled through the existing mechanisms laid out in the "Concordat Between the Health Departments and the Medical Research Council, 1997", and "Health Service Guidelines, HSG(97)32", copies of which are available in the Library.

Osteoporosis

Dr. Kumar: To ask the Secretary of State for Health what funds have been allocated and to which projects for research and development on osteoporosis; and if he will make a statement. [119152]

Yvette Cooper: Our funding for research is provided through a number of routes.

The Medical Research Council (MRC) is the main agency through which we support research on the causes and treatment of disease. The MRC receives most of its income via grant-in-aid from the office of my right hon. Friend the Secretary of State for Trade and Industry. The Department funds research to support policy development in health and social care, and to support effective practice in the National Health Service. The Department also provides NHS support funding for research commissioned by the MRC and charities that takes place in the NHS.

The MRC spent £2.7 million in 1999–2000 on research of direct relevance to osteoporosis. It has a wide portfolio of work ranging from a number of epidemiological studies at the MRC Environmental Epidemiology Unit to more basic work on bone density being carried out at a number of other institutions.

The Department is funding the following projects: "A Systematic literature review of technologies for the diagnosis and monitoring of osteoporosis"—Cost: £55,770, and "Treatment of established osteoporosis"—Cost: £77,704.

In addition, the Department of Health provides support for research commissioned by charities and the Medical Research Council that take place in the NHS. Project details of work directly funded by the Department or supported through NHS research and development funding can be found on the National Research Register (NRR). This is available in the Library and most medical libraries on CD Rom, and on the internet: http://www.doh.gov.uk/nrr.htm. The NRR contains many details of projects/trials relating to osteoporosis.

Priorities for departmental research and development support for the development of policy are determined through discussion with policy colleagues, the Departmental Research Committee and Ministers. In the NHS research and development programme, priorities take account of widespread consultation with those using, delivering and managing services, within a framework overseen by the Central Research and Development Committee for the NHS. In all cases, priorities for our budgets reflect analysis of the burden of disease, potential benefits, our priorities, and take account of the responsibilities and work of other funders.

Teenage Pregnancy

Ms McCafferty: To ask the Secretary of State for Health what steps he is taking to reduce the number of unplanned teenage pregnancies; and if he will make a statement. [119186]

Yvette Cooper: I refer my hon. Friend to the reply given by my right hon. Friend the Prime Minister on 14 June 1999, *Official Report*, column 17W.

The Social Exclusion Unit's report on teenage pregnancy, published on 14 June 1999, sets out a thirty point action plan working across Government. It highlights two main goals:

Reducing the number of teenage conceptions, with the specific aim of halving the rate of conceptions among under-18s by 2010; and

Getting more teenage parents into education, training or employment to reduce their risk of long term social exclusion.

Copies of the report are available in the Library.

BCG Vaccine

Mr. Pickles: To ask the Secretary of State for Health what is the size of his Department's stock of BCG vaccine. [119107]

Yvette Cooper: As at the end of March 2000, stocks of BCG vaccine in its various presentations available to the National Health Service were as follows:

Intradermal 10 dose (without diluent)—zero

Intradermal 10 dose (with diluent)—17,729 packs × 5 vials

Intradermal 50 dose—1,079 packs × 5 vials

Percutaneous—zero.

The percutaneous presentation of the vaccine is used when administering vaccine by an alternative (multiple puncture) method applicable only in babies and young infants. In the absence of this presentation of the vaccine, the intradermal 10 dose (with diluent) presentation has been diverted for use in this important group.

Mr. Pickles: To ask the Secretary of State for Health if he will make a statement on the future of BCG vaccination programmes in schools. [119106]

Yvette Cooper: We are advised on all matters concerning immunisation by the independent expert committee, the Joint Committee on Vaccination and Immunisation. The committee keeps all immunisation policies under review. Recommendations on the use of BCG vaccine were last reviewed by the committee during 1996 and they advised that the schools immunisation programme should continue. This recommendation remains unchanged although, due to problems with supply of BCG vaccine, the schools part of the BCG programme is currently in suspension.

Tuberculosis

Mr. Pickles: To ask the Secretary of State for Health if he will list the number of reported cases of TB in *(a)* 1970, *(b)* 1980, *(c)* 1990 and *(d)* each of the last five years for which figures are available. [119105]

Yvette Cooper: The information requested is given in the table:

Number of reported cases of tuberculosis, England and Wales

Year	*Number*
1970	11,901
1980	9,142
1990	5,402
1995	5,606
1996	5,654
1997	5,859
1998	6,087
1999	6,144

Source:
Public Health Laboratory Service data

Mr. Pickles: To ask the Secretary of State for Health what was the average cost to the NHS of treating a patient with TB in the last financial year for which figures are available. [119155]

Yvette Cooper: The average cost to the National Health Service of treating a patient with tuberculosis is not available. However, information on the national average cost for the inpatient treatment of an individual patient with tuberculosis for the 1998–99 financial year is available from the National Schedule of Reference Costs and is as follows:

£

	Elective inpatient	Non elective inpatient	Day case
Pulmonary or pleural tuberculosis	1,770	1,676	295
Other tuberculosis	1,400	1,800	293

Note:

Costs are the national average for inpatient treatment for patients with tuberculosis calculated from the individual NHS trust figures provided on an annual basis.

The length of inpatient stay for patients with tuberculosis varies. It should be noted that treatment for tuberculosis can last for six months or more and for most of this time the patient will not be hospitalised.

Mr. Pickles: To ask the Secretary of State for Health which health authorities have abandoned the school immunisation programme for TB. [119108]

Yvette Cooper: I refer the hon. Member to the reply given to the hon. Member for New Forest, West (Mr. Swayne) on 11 January 2000, *Official Report*, column 144W.

Mr. Pickles: To ask the Secretary of State for Health which health authorities have reported cases of TB in each of the last five years. [119103]

Yvette Cooper: I refer the hon. Member to the reply given to my hon. Friend the Member for the Vale of Clwyd (Mr. Ruane) on 28 February 2000, *Official Report*, columns 70–71W.

Mr. Pickles: To ask the Secretary of State for Health how many people died from TB in the *(a)* 1970s, *(b)* 1980s and *(c)* 1990s. [119109]

Yvette Cooper: Information provided by the Office for National Statistics shows that, between 1970 and 1979, there were 8,781 reported deaths from tuberculosis in England and Wales; between 1980 and 1989 there were 5,028 reported deaths from tuberculosis; and, between 1990 and 1998 (the latest available date for which data are available) there were 3,621 reported deaths from tuberculosis.

Notes:

Data are for England and Wales.

Tuberculosis is defined by ICD(8) and (9) 010–018.

Data from 1970 to 1992 are by date of registration; those from 1993 to 1998 are by date of occurrence.

Mr. Pickles: To ask the Secretary of State for Health what plans he has to review the programme of immunisation against TB among school age children. [119104]

Yvette Cooper: We are advised on all matters concerning immunisation by the independent expert committee, the Joint Committee on Vaccination and Immunisation. The committee keeps all immunisation policies under review.

Mr. Breed: To ask the Secretary of State for Health for what reason there was a shortage of tuberculosis vaccinations between October 1999 and April 2000; and what steps his Department has taken to improve the supply of vaccinations. [120401]

Yvette Cooper: I refer the hon. Member to the replies given to the hon. Member for Brentwood and Ongar (Mr. Pickles) on 11 January 2000, *Official Report*, columns 143–44W and on 13 April 2000, *Official Report*, column 282W.

Mr. Breed: To ask the Secretary of State for Health what recent discussions have taken place between Ministers in his Department and the NHS Purchasing and Supply Agency regarding the restoration of tuberculosis testing within secondary schools. [120370]

Yvette Cooper: The National Health Service Purchasing and Supply Agency (formally NHS Supplies) provides a procurement service for the Department and does not make recommendations on the use of the vaccines.

The programme to test for tuberculosis and to immunise with BCG vaccine continues for people in higher risk groups, whatever their age. Only the routine BCG immunisation programme in schools is in suspension at present.

Fibreglass Insulation

Mr. Wigley: To ask the Secretary of State for Health what evidence his Department has assessed concerning the dangers to health from fibreglass used for insulation purposes; and if he will make a statement. [118950]

Yvette Cooper: The Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment have considered the carcinogenicity of those man made mineral fibres (glass, rock and slag wool) used for insulation purposes on a number of occasions since 1984. Their advice is that domestic exposures arising from infrequent or short-term do-it-yourself installation do not pose a carcinogenic risk. It was their view that these materials do not meet the European Union's criteria for classification of compounds as carcinogens. However there was limited evidence that occupational exposure was associated with lung cancer, although no definite conclusions could be drawn because there was a lack of information about confounding factors, such as tobacco smoking. It would be prudent, however, to act on the basis that sufficient occupational exposure may increase the risk of lung cancer.

National Vaccination Programme

Mr. Burden: To ask the Secretary of State for Health how clinicians, general practitioners and primary care staff are kept updated on vaccine availability; and what plans he has to improve the arrangements. [119258]

Yvette Cooper: Vaccine Update is a monthly newsletter produced by the National Health Service Purchasing and Supply Agency (formally NHS Supplies). It is the primary source of advice for health professionals on vaccine availability. About 7,000 copies are centrally distributed each month and further copying occurs locally.

There is a contact name and telephone number on this newsletter for inquiries. The central distributor, Farillon, also answers inquiries.

Plans are in hand to alter the format of this newsletter to allow it to be available via the Internet. Any urgent communications can also be made to health professionals via the Public Health Link system, Chief Medical Officer (CMO) letters and the CMO Update.

Mr. Burden: To ask the Secretary of State for Health what representations he has received concerning the distribution arrangements for the national vaccination programme and the performance of Farillon. [119257]

Yvette Cooper: The contract to provide centralised storage and distribution of vaccine to support the childhood immunisation campaign is currently held by Farillon Ltd.

The NHS Purchasing and Supply Agency (formally NHS Supplies) monitors all aspects of this contract as an agency of the Department.

Any representations from those involved in the vaccine programme are directed to Farillon and brought to the attention of NHS PSA. A monthly meeting is held between the Department, the National Health Service Purchasing and Supply Agency and Farillon to review performance. Any concerns are dealt with at such times.

Mr. Burden: To ask the Secretary of State for Health what plans he has for improving the distribution system for the national vaccination programme. [119259]

Yvette Cooper: Farillon Ltd. currently provides the storage and distribution of vaccine to support the childhood immunisation programme.

A recent example of a new initiative in distribution has been the allocation model used to supply the new Meningococcal C conjugate vaccine. This has enabled over 10 million doses to date of this vaccine to be distributed equitably across the country in line with the roll-out of the campaign. No other country in the world currently has the facility to provide such a service with direct delivery to general practitioners on a weekly basis through a guaranteed cold chain computerised service. GPs are now able to review their future supplies through Internet access. The distribution arrangements are kept under continual review.

Live Animal Experiments

Mr. Dalyell: To ask the Secretary of State for Health, pursuant to his answer of 5 April 2000, *Official Report*, column 509W, on live animal experiments, if he will introduce a legal requirement that labels on medicines for use on humans and animals include a statement that the medicine has been tested on animals. [119231]

Yvette Cooper: I refer my hon. Friend to the answer I gave on 5 April 2000, *Official Report*, column 509W, in which I explained that the labelling of medicinal products is governed by European law. Therefore the United Kingdom cannot unilaterally introduce additional national statutory requirements in this area and the Government have no plans to propose such an amendment to European law.

Health Authority Reorganisation

Mr. Hammond: To ask the Secretary of State for Health what percentage of health authority reorganisation proposals objected to by community health councils and referred to him since 1 May 1997 he has *(a)* approved and *(b)* rejected. [119472]

Ms Stuart: Of the 21 objections referred by community health councils to my right hon. Friend the Secretary of State since 1 May 1997 14 per cent. were accepted, 57 per cent. were rejected, 14 per cent. resulted in amendments to health authorities' proposals, 5 per cent. were withdrawn following a change in circumstances and 10 per cent. are still awaiting a decision.

HIV

Mr. Gill: To ask the Secretary of State for Health what are the identifiable causes of human immunodeficiency virus. [119703]

Yvette Cooper: There is international scientific consensus that the Human Immunodeficiency Virus (HIV) causes the Acquired Immunodeficiency Syndrome (AIDS). HIV infection is a communicable condition which is transmitted by a number of routes but predominantly by unprotected sexual intercourse. It is not possible to identify the origins of the human immunodeficiency virus itself. There are a number of possible hypotheses concerning its origin which are the subject of current scientific debate.

Flu Vaccine

Mr. Sheerman: To ask the Secretary of State for Health how may hospital beds were occupied by influenza victims in November and December 1999 and January and February 2000 by patients who had not been vaccinated against flu. [119667]

Yvette Cooper: Figures for hospital activity during the winter period will not be available until the autumn this year, but information on whether or not these patients have been immunised against influenza is not collected.

Mr. Sheerman: To ask the Secretary of State for Health what steps he is taking to ensure that *(a)* at-risk groups, *(b)* essential service workers and *(c)* all those over 65 have flu vaccine available for next winter. [119669]

Yvette Cooper: The Department is committed to improving influenza vaccine uptake in the recommended risk groups this year and an implementation group is currently considering the steps needed to deliver these improvements.

Mr. Sheerman: To ask the Secretary of State for Health what plans he has to reduce the age at which flu vaccine is made available. [120097]

Yvette Cooper: The Department is committed to improving influenza vaccine uptake this year. Ministers are currently considering the Joint Committee on Vaccination and Immunisation's advice on the age above which flu vaccine is recommended as national policy.

NHS Dentistry

Mr. Hammond: To ask the Secretary of State for Health when he expects to publish his strategy on NHS dentistry. [119753]

Mr. Hutton: I refer the hon. Member to the reply given to my hon. Friend the Member for Pendle (Mr. Prentice) on 2 May 2000, *Official Report*, column 46W.

Dispensing Doctors

Mr. Bob Russell: To ask the Secretary of State for Health (1) what choice is open to patients to have prescriptions dispensed by a dispensing doctor; [119725]

(2) if he will amend the terms of the NHS (Pharmaceutical Services) Regulations 1992 to enable patients living within one mile of a pharmacy to have the choice of having prescriptions dispensed by a dispensing doctor; and if he will make a statement. [119726]

Ms Stuart: Patients may have their prescriptions dispensed by their general practitioner if they live in controlled localities (that is to say, rural areas), more than one mile from the nearest pharmacy and the practitioners have been granted permission by their health authority to dispense prescriptions. Other patients may also apply to the health authority for their doctor to dispense their prescriptions if the patients experience serious difficulty in obtaining their medicines from a pharmacy due to the distance involved or lack of transport. We have no plans to permit doctors to dispense to other patients.

Prostate Cancer

Dr. Tonge: To ask the Secretary of State for Health what legal advice he has taken on the failure of some health trusts to ensure referral within three weeks for patients with possible prostate cancer. [119735]

Yvette Cooper: The White Paper "The new NHS—Modern, Dependable" set the standard that everyone with suspected cancer will be able to see a specialist within two weeks of their GP deciding that they need to be seen urgently and requesting an appointment. These arrangements were introduced for women with suspected breast cancer from April 1999 and are being put in place for all other cases of suspected cancer during 2000. The standard will be introduced for prostate cancer in December. We have published referral guidelines to assist GPs in determining those patients who need to be referred urgently within two weeks to see a specialist. The referral guidelines are not mandatory but represent guidance on best available evidence. Clinical judgment will, in addition to the guidelines, play an important part in reaching any clinical decision.

Dr. Tonge: To ask the Secretary of State for Health what plans he has to increase funding for research into prostate cancer. [119729]

Yvette Cooper: The latest figure available for annual Government expenditure (Department of Health/National Health Service, Medical Research Council and other Government Departments—principally devolved health departments) on prostate cancer is £1.55 million. This figure underestimates the total Government research and development expenditure in this area, as detailed estimates of NHS support funding are not collected routinely.

Since 1997 we have committed over £800,000 to new research projects on prostate cancer, through the Medical Research Council and through the Department. The Department has actively sought to support such work in prostate cancer, and has not rejected any high quality proposals for work in this area.

The Department recently announced £1 million additional new funding for urgent research studies into prostate cancer as a mark of its concern over this disease.

Following the seminar last year at No. 10 a "Cancer Research Funders' Forum" has been established to help improve the co-ordination of cancer research in the UK. It is being run by the MRC and includes DH representatives and the major cancer research charities. At the Department's request, the Forum considered the issue of prostate cancer at its first meeting on 10 January. They agreed to set up an expert group on prostate cancer, which will identify gaps in current research and suggest ways of filling them. The expert group met for the first time on 25 February, and expects to report within months.

We have recently appointed a National Cancer Director, Professor Mike Richards, who will spearhead our concerted drive on cancer. He will work in partnership with doctors, nurses, general practitioners, other health professionals and the voluntary sector to improve prevention and modernise cancer services to help ensure equitable access to high quality cancer care. This will include a close interest in the development and progression of research.

MMR Vaccine

Mr. Coleman: To ask the Secretary of State for Health if his Department will release the underlying data used to compile the study his Department commissioned for publication in *The Lancet* into the effects of the MMR vaccine. [120029]

Yvette Cooper: The epidemiological study published in *The Lancet* in June 1999 was an independent study commissioned by the Medicines Control Agency. This study was designed to investigate a possible association between measles, mumps and rubella vaccination and autism and found no evidence for a causal association. A copy has been placed in the Library. The study was accepted for publication in *The Lancet* following a process of rigorous independent peer review in the normal manner. It is not usual for peer-reviewed data to be subject to reanalysis by third parties. The Department therefore does not propose to ask the independent investigators to release their data.

Dystonia

Mr. Hancock: To ask the Secretary of State for Health how much money has been spent on researching dystonia in each of the last five years. [119834]

Yvette Cooper: The main Government agency for research into the causes of, and treatment for, disease is the Medical Research Council (MRC) funded via grant-in-aid from the Office of my right hon. Friend the Secretary of State for Trade and Industry.

The MRC has spent the following amounts on research related to dystonia:

Year	£
1994–95	1,435,000
1995–96	1,702,000
1996–97	1,784,000
1997–98	1,731,000
1998–99	1,769,000

In addition, the MRC funds related research into related movement disorders such as Parkinson's, Huntington's and Multiple Sclerosis.

The Department of Health provides support funding for research commissioned by Research Councils and charities which is undertaken in the National Health Service. It is not possible to calculate how much of this support funding is spent on projects related to Dystonia. The Department also funds research to support policy development in health and social care, and to support effective practice in the NHS.

Project details of work supported by the Department can be found on the National Research Register which is available in the Library and on the internet: www.doh.gov.uk/nrr

Mental Health

Mrs. Lait: To ask the Secretary of State for Health how much money there was in the Mental Health Research and Development budget in each region *(a)* at the end of the financial year 1999–2000 and *(b)* at the beginning of financial year 2000–01. [120034]

Mr. Hutton: Government funding for research is provided through a number of routes.

The Medical Research Council (MRC) is the main agency through which the Government supports research on the causes and treatment of disease. The MRC receives most of its income via grant-in-aid from the office of my right hon. Friend the Secretary of State for Trade and Industry. The Department funds research to support policy development in health and social care, and to support effective practice in the National Health Service. The Department also provides NHS support funding for research commissioned by the MRC and charities that takes place in the NHS.

Research is commissioned from the organisations best able to undertake high quality work. Funding is not allocated on a regional basis.

The MRC spent approximately £63 million in 1999–2000 and estimates that it will spend £66 million in 2000–01 on neuroscience and mental health research.

The Department invests approximately £40 million per year on research directly relevant to mental health, £7 million on directly commissioned projects, and £33 million to support work on mental health funded by research councils and charities which is undertaken in the NHS. Management of the research supported by NHS research and development funding in trusts is devolved and details of expenditure at the project level are not currently collected routinely by the Department. It is not therefore possible to give accurate details of expenditure year by year.

Project details of work directly funded by the Department or supported through NHS research and development funding can be found on the National Research Register (NRR). This is available in the Library and most medical libraries on CD Rom, and on the Internet: http://www.doh.gov.uk/nrr.htm. The NRR also contains many details of projects/trials funded by the MRC and other funders.

Heart Operations

Mr. Waterson: To ask the Secretary of State for Health how many heart operations were performed in each of the last 10 years. [119991]

Yvette Cooper: The table shows the number of finished consultant episodes where a heart operation was performed, and the number of finished consultant episodes where a coronary artery bypass graft was performed, in National Health Service hospitals in England for the years 1989–90 to 1998–99.

OPCS4R codes used/Procedure	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99
K40–46/CABGs	12,483	14,070	16,046	18,352	20,394	23,533	22,922	22,694	22,181	23,663
K01–70/All heart ops	[1]—	83,065	106,374	120,394	130,502	148,797	153,736	162,146	161,890	177,650

[1] Data for 1989–90 for all heart operations is currently unavailable.

Notes:

1. Data in this table is grossed for both coverage and unknown/invalid clinical data, except for 1997–98 and 1998–99 which are ungrossed.
2. An FCE is defined as a period of patient care under one consultant in one health care provider. The figures do not represent the number of patients, as one person may have several episodes within the year.
3. These figures represent a count of all FCEs where the procedure was mentioned in any of the four operation fields in the HES data set

Source:

Hospital Episode Statistics (HES), Department of Health.

Asylum Seekers

Mr. Coleman: To ask the Secretary of State for Health what amounts each London borough claimed in excess of the maximum grant available from his Department for *(a)* single asylum seekers and *(b)* asylum families with children for (i) 1997–98 and (ii) 1998–99; and if he will make a statement. [120028]

Mr. Hutton: The table shows the maximum amounts that local authorities were eligible to claim per week for single adults and families with children in 1997–98 and 1998–99.

Local authorities could not claim in excess of these sums. Although a local authority's total relevant expenditure may have exceeded the maximum grant

payable, any excess expenditure incurred above that sum would have to be met locally and not by central government.

The maximum amount payable in respect of each grant was as follows:

	Amount payable
1997–98	
Adults	£140 per week
Families	80 per cent. of relevant expenditure above relevant local authority threshold
1998–99	
Adults	£165 per week
Families	£230 per family per week, or £240 in the case of any family of asylum seekers provided with services in Inner London prior to 23 November 1998

Squalene

Mr. Hancock: To ask the Secretary of State for Health what adverse reactions there have been as a result of the use of squalene in vaccines. [120200]

Yvette Cooper: None. There are no licensed vaccines in the UK which include squalene as an adjuvant.

Mr. Hancock: To ask the Secretary of State for Health if squalene is authorised for use in vaccines in the UK. [120105]

Yvette Cooper: Squalene is not authorised for use in vaccines in the United Kingdom.

Mr. Hancock: To ask the Secretary of State for Health what monitoring his Department is undertaking of patients who have been given squalene vaccine. [120301]

Yvette Cooper: Squalene is not itself a vaccine, but has been licensed in Italy as an adjuvant to influenza vaccine. Monitoring of all vaccines given in the United Kingdom is performed by the Medicines Control Agency and the Committee on Safety of Medicines.

Mr. Hancock. To ask the Secretary of State for Health what recent research he has *(a)* commissioned and *(b)* evaluated on the use of squalene as an adjuvant in vaccines. [120104]

Yvette Cooper: No research has been commissioned on the use of squalene as an adjuvant in vaccines.

As for any new medicinal product, evaluation of research on the use of squalene as an adjuvant in vaccines, presented as part of a marketing application, would be performed by the Medicines Control Agency under conditions of commercial confidentiality.

European Food Authority

Mr. Redwood: To ask the Secretary of State for Health if the planned European Food Authority will replace the UK Food Standards Agency. [120188]

Ms Stuart: No it will not replace the United Kingdom Food Standards Agency. The White Paper clearly states that the proposed European Food Authority must be a "value-added structure" which will work in close co-operation with national agencies and institutions, thus making the best use of existing structures and resources.

We envisage that the planned European Food Authority will work in close co-operation with our own agency which, in any case, has a wider remit than the proposed Authority.

Mr. Redwood: To ask the Secretary of State for Health what is the estimated first full year cost of running *(a)* the UK Food Standards Agency and *(b)* the European Food Authority. [120189]

Ms Stuart: The gross budget for the Food Standards Agency in its first full year (2000–01) is £148 million including £8 million for the executives in the devolved administrations, and £70 million for its executive agency, the Meat Hygiene Service. (The £148 million is net of internal transfers between the Food Standards Agency headquarters and the Meat Hygiene Service).

The Commission has proposed that the European Food Authority has a budget of only 100 million ecus (£62.5 million). We will have to be clear about whether this is an additional cost or total funding. Clearly most of the functions of the EFA are already performed elsewhere within the EU framework and we must be careful to avoid duplication of effort.

Food Safety White Paper

Mr. Redwood: To ask the Secretary of State for Health which of the proposed measures in the EU White Paper on food safety in the EU will be opposed by Her Majesty's Government. [120209]

Ms Stuart: The Government believe that consumer concerns and the complexity of current arrangements demand urgent action to develop a coherent European Union policy for the foodstuffs sector based firmly on the fundamental importance of consumer protection. We welcome the White Paper and share the objective it outlines.

We look forward to more detailed proposals on which discussion can take place once individual measures are brought forward.

Mr. Redwood: To ask the Secretary of State for Health what amendment of the law he plans to comply with the programme outlined in the EU White Paper on food safety. [120187]

Ms Stuart: The proposed legislative programme contains many individual initiatives which the Government have been pressing for and some have been expected for some time. In a number of cases the legislation proposed is amending existing legislation. We await individual, more detailed, proposals to be brought forward by the European Commission.

Mr. Redwood: To ask the Secretary of State for Health what estimate he has made of the additional costs to *(a)* the British food industry and *(b)* farmers of the proposals set out in the EU's White Paper on food safety. [120208]

Ms Stuart: None. The Commission has consulted widely on the White Paper and the Food Standards Agency has discussed various issues with key organisations, including those representing farmers and the food industry. They have been encouraged to respond direct to the Commission.

Once individual proposals have been produced all interested stakeholders will be consulted. The United Kingdom will be pressing for proportionality, bearing in mind the need to safeguard the interests of the consumer.

Data Storage

Mr. Sayeed: To ask the Secretary of State for Health what advice his Department gives to hospitals and others to *(a)* back up their data frequently and regularly and *(b)* install circuit breakers. [120699]

Yvette Cooper: National Health Service organisations have already received best practice guidance on a wide range of information security matters including data back-up and power supplies and these are contained within the NHS Information Authority publication "Ensuring Security and Confidentiality in NHS Organisations". Copies of this guidance will be placed in the Library.

AIDS Care Education Funding

Mr. Clappison: To ask the Secretary of State for Health when he expects to reach a decision on section 64 funding for AIDS care education training. [120372]

Yvette Cooper: I will be making an announcement shortly.

Fostered Children

Mr. Gerald Howarth: To ask the Secretary of State for Health what was the cost of providing foster homes and their equivalent in *(a)* 1970, *(b)* 1980 and *(c)* 1999. [120664]

Mr. Hutton: Information on the unit cost of providing foster homes and their equivalent is not available for 1970 and 1980. Provisional data taken from "Social Services Performance in 1998–99—The Personal Social Services Performance Assessment Framework" indicate that the unit cost of foster care for 1998–99 was £199 per child per week.

Toxicology Teaching

Mr. Baker: To ask the Secretary of State for Health if he will make a statement on the teaching of toxicology to medical students. [120499]

Yvette Cooper *[holding answer 2 May 2000]:* Individual university medical schools determine their own undergraduate medical curricula in the light of the recommendations from the General Medical Council's (GMC) Education Committee, which has the statutory responsibility to determine the extent of knowledge and skill required for the granting of primary medical qualifications in the UK. The Committee's most recent recommendations were published in the 1993 report "Tomorrow's Doctors".

University medical schools are in the process of implementing the recommendations contained in the report and the GMC is monitoring progress.

EDUCATION AND EMPLOYMENT

Sure Start

Mr. Coaker: To ask the Secretary of State for Education and Employment when the Sure Start Plus scheme will start; and if he will make a statement. [120120]

Yvette Cooper: I announced the 20 Sure Start Plus pilot areas on 1 March 2000. Further guidance on Sure Start Plus will be issued in early summer inviting programmes to draw up plans for implementation in the autumn.

Mr. Coaker: To ask the Secretary of State for Education and Employment when the next round of applications for Sure Start schemes will be announced. [120121]

Yvette Cooper: Sure Start is committed to establishing at least 250 local Sure Start programmes in areas of greatest need by the end of 2001–02. Of these, 121 have already been announced. A further round will be announced in the summer.

Teachers (Early Retirement)

Mr. Gerald Howarth: To ask the Secretary of State for Education and Employment how many teachers took early retirement in *(a)* 1970, *(b)* 1980 and *(c)* 1999; if he will list the most frequently cited reasons for taking early retirement; and what was the cost to public funds of granting such early retirement. [119770]

Ms Estelle Morris: Early retirement falls into two categories: ill-health and premature retirement. Full-time teachers taking early retirement from the maintained nursery, primary, secondary and special sector in England in 1980, 1990, 1997 and 1999 are as follows:

Calendar year	*Ill-health*	*Premature*	*Total*
1980	1,000	3,700	4,700
1990	4,000	8,100	12,100
1997	4,400	14,100	18,500
1999	2,100	2,700	4,700

Note:
Totals may not add to component parts because of rounding

Retirement data are not available for 1970; premature retirement was not introduced until 1977. The number of teachers taking ill-health and premature retirement was much higher during the 1990s than in previous years. The conditions for awarding an ill-health or premature retirement were changed during 1997 and as a result the numbers of early retirements had fallen by 1999.

Premature retirement can be awarded because of redundancy or employer efficiency gains; ill-health retirement includes reasons of injury or illness (physical and mental).

The capitalised additional cost of an ill-health retirement was recently estimated to be on average in the order of £50,000-£60,000 when compared with preserved benefits if the individual had simply resigned. The figure for premature retirements is estimated to be in the order of £30,000-£40,000.

School Leavers

Mr. Gerald Howarth: To ask the Secretary of State for Education and Employment how many pupils who left

school in *(a)* 1970, *(b)* 1980 and *(c)* 1999 with no educational qualifications came from (i) intact and (ii) broken families. [120659]

Ms Estelle Morris: The numbers of pupils in England with no educational qualifications, either by the end of their final year of compulsory schooling or when they left school, are shown in the table. Data on pupils' family background are not collected.

Numbers and proportion of pupils[1] with no educational qualifications in England

	Total pupils[1] (Thousand)	*Total with no qualifications (Thousand)*	*Proportion with no qualification (Percentage)*
1970	614.2	275.9	45
1980	750.7	91.4	12
1999	581.0	35.0	6

[1] The figures for 1970 and 1980 are based on the numbers of school leavers of any age and the numbers of those leavers that had no qualifications. The figures for 1999 are based on pupils in their final year of compulsory schooling, whether they left school or not.

New Deal

Mr. Allan: To ask the Secretary of State for Education and Employment what (i) amount and (ii) percentage of the proceeds of the windfall tax allocated in the 1999 Budget to *(a)* the New Deal for 18 to 24-year-olds, *(b)* the New Deal for the long-term unemployed, *(c)* the New Deal for lone parents and *(d)* the New Deal for the sick and disabled, for expenditure during the 1999–2000 financial year were (1) spent during that year and (2) carried forward for future years, indicating the reasons for any underspend. [120411]

Mr. Blunkett: The information requested will not be available until June when outturn expenditure is confirmed and agreement reached with the Treasury on amounts to be carried forward. Table 4.1 of the Financial Statement and Budget Report March 2000 sets out the latest published allocations for 1999–2000.

Racial Discrimination

Mr. Woodward: To ask the Secretary of State for Education and Employment on how many occasions in the past 10 years the Secretary of State for Education and Employment has used his powers to give directions under sections *(a)* 496 and *(b)* 497 of the Education Act 1996 (i) in relation to individual complaints of racial discrimination in education referred under section 57(5) of the Race Relations Act 1976, (ii) following findings of unlawful discrimination in a formal investigation by the Commission for Racial Equality and (iii) to enforce the general duty under section 19(1) of the Race Relations Act 1976. [120640]

Jacqui Smith: In 1999–2000, 33 complaints of racial discrimination in education were received by the Department. None of these were referred to the Secretary of State. Information for previous years is not held centrally and could not be obtained except at disproportionate cost.

Written Answers to Questions

Thursday 4 May 2000

PRIME MINISTER

Special Advisers

Mr. Lansley: To ask the Prime Minister if he will list the Government's special advisers and their responsibilities. [119982]

The Prime Minister *[holding answer 20 April 2000]:* I refer the hon. Member to the answer given to the hon. Member for Ribble Valley (Mr. Evans) on 11 November 1999, *Official Report*, columns 826–28W. Since then, I have appointed Carey Oppenheim, Carl Sobhan and Chris MacShane. Dr. Iain Anderson is no longer employed as a special adviser. In addition, ministerial colleagues have appointed the following special advisers: Margaret Ounsley (Chief Whip, House of Lords), Ruth Mackenzie (Secretary of State for Culture, Media and Sport), Andrew Hood (Secretary of State for Defence), David Wilson (Deputy Prime Minister), Michael Williams (Secretary of State for Foreign and Commonwealth Affairs) and Andrew McMenaman (Secretary of State for Wales).

All special advisers are employed under terms and conditions set out in the "Model Contract for Special Advisers", a copy of which is in the Library of the House. Schedule 1, Part 1 of the contract sets out the duties and responsibilities of special advisers.

House of Lords Reform

Ms Moran: To ask the Prime Minister if he is in a position to announce the membership of the House of Lords Appointments Commission promised in "Modernising Government: Reforming the House of Lords" (Cmnd 4183). [121113]

The Prime Minister: Following an open recruitment exercise conducted in accordance with the principles of the Commissioner for Public Appointments, I have decided to appoint the following people, on the recommendation of the selection panel, as the independent Chairman and members of the Interim House of Lords Appointments Commission.

The Chairman will be Lord Stevenson of Coddenham, the Chairman of the Pearson Group and Halifax plc and a cross-bench peer in the House of Lords. The leaders of the Conservative and Liberal Democrat parties have been informed and are content for Lord Stevenson to be appointed as Chairman.

The independent members, chosen from a strong field of candidates, will be Mrs. Angela Sarkis CBE, the Chief Executive of the Church Urban Fund; Dame Deirdre Hine, previously Chief Medical Officer at the Welsh Office and Chairman of the Commission for Health Improvement; and Ms Felicity Huston, Chairman of the Northern Ireland Consumer Committee for Electricity and Deputy Chairman of the General Consumer Council of Northern Ireland.

In addition, the Commission will contain a member nominated by each of the three main political parties. The Labour Party member is the right hon. Baroness Dean of Thornton-le-Fylde. The Conservative Party member is the right hon. Lord Hurd of Westwell CH, CBE. The Liberal Democrat member is Lord Dholakia OBE, DL.

The seven members of the Commission will combine knowledge of the existing House of Lords with a diverse range of personal backgrounds. They will be well-qualified to take forward the process of appointing non-political peers to the House of Lords on a more open and transparent basis and to take on responsibility for vetting all nominations for peerages.

TRADE AND INDUSTRY

Car Worker Retraining Programmes

Mr. Fabricant: To ask the Secretary of State for Trade and Industry if he will make a statement regarding retraining programmes available to car workers made redundant at Longbridge and its suppliers. [119632]

Mr. Alan Johnson: The Rover Task Force produced an interim report that was presented on 26 April to my right hon. Friend the Secretary of State for Trade and Industry, who welcomed the proposals.

My right hon. Friend the Secretary of State for Trade and Industry has pledged £129 million to assist the people and businesses of the west midlands and the report made a number of recommendations about short and medium-term actions that should be taken to regenerate the region. These include a number of initiatives that will tackle employee re-skilling and re-training for workers from Rover and its supplier chain who will be made redundant or whose jobs will be affected. Funding of more than £27 million has been approved to support this work, to help individuals and to aid supplier chain diversification which will include the re-training of up to 4,000 workers.

The report also recommends three new initiatives to support employees which will:

extend engineer secondments in the supply chain group through major vehicle companies;

create access to an innovative on-line training system for the automotive supply sector;

introduce a regional mechanism for the co-ordination of modern apprenticeships and new deal programme participants.

Senior Civil Servants

Mr. Gibb: To ask the Secretary of State for Trade andIndustry what position *(a)* Mr. Jonathan Green and *(b)* Mr. Michael Atkinson (i) held in his Department on 1 January and (ii) will hold on 1 May. [120117]

Mrs. Liddell: Mr. Jonathan Green was Director, Energy Utilities on 1 January 2000 and was still in post on 1 May.

Mr. Michael Atkinson was Director, Coal Unit on 1 January. On 1 May he moved to become Director, Resources, Business Competitiveness Group. His successor as Director Coal Unit will be Mr. Peter Mason.

Mr. Gibb: To ask the Secretary of State for Trade and Industry if he will list the movements of senior civil servants from and to the division of his Department dealing with energy issues in the last six months. [120110]

Mr. Redwood: To ask the Secretary of State for Trade and Industry what changes have been made recently in the officials dealing with coal and industrial subsidy. [120207]

Mrs. Liddell: The information requested is as follows:

Mrs. Ann Taylor moved into the Energy Group on 21 February 2000 to replace Mr. Alan Wright as Director, Coal Health Claims Unit in Energy Policy, Technology, Analysis and Coal Directorate. Mr. Wright moved on the same date to a post in the Department's Finance and Resources Management Directorate.

Mr. Stephen Spivey moved into the Energy Group on 14 February 2000 to fill a temporary post in the BNFL Public Private Partnership Team. He then moved to a new post in Nuclear Industries Directorate as Director, UKAEA Quinquennial Review Team, on 10 April 2000.

Dr. Stephen Sklaroff, Director, BNFL Public Private Partnership Team resigned from the Department with effect from 15 March 2000. Mr. John Rhodes moved into the Energy Group on 20 March to replace Dr. Sklaroff.

Mr. Mike Atkinson transferred from his post Director, Coal Unit in Energy Policy, Technology, Analysis and Coal Directorate to a new post ad Director, Resources, Business Competitiveness Group on 26 April 2000.

Mr. Peter Mason transferred from Consumer Affairs to Energy Policy, Technology, Analysis and Coal to replace Mike Atkinson on 2 May.

Mr. Gibb: To ask the Secretary of State for Trade and Industry who his Department's *(a)* Director of Energy Utilities and *(b)* Director of Coal Units are. [120118]

Mrs. Liddell: The following is the information:

(a) Mr. Jonathan Green

(b) Mr. Peter Mason

BMW

Mr. Redwood: To ask the Secretary of State for Trade and Industry if BMW has indicated that it would consider a bid for *(a)* the new Mini and *(b)* the R30. [120076]

Mr. Byers: I refer to the evidence given by Professor Samann to the Trade and Industry Select Committee on 29 March 2000.

Media Discussions

Mr. Gibb: To ask the Secretary of State for Trade and Industry what discussions he, his Ministers and his officials had with *(a)* Kevin Maguire and *(b)* Keith Harper of *The Guardian* during (i) the week beginning 10 April, (ii) Saturday 15 April and (iii) Sunday 16 April; and what subjects were discussed. [120109]

Mr. Byers: My Department maintains regular contact with a range of journalists.

Post Offices

Mrs. Curtis-Thomas: To ask the Secretary of State for Trade and Industry how many post offices were closed in each year from 1992 to 1999; and how many were opened. [120797]

Mr. Alan Johnson: I understand from the Post Office that historical data for the numbers of post offices opened are not available. The net numbers of post office closures are as follows:

Year ending March	*Number*
1993	202
1994	176
1995	175
1996	193
1997	163
1998	243
1999	233

EDUCATION AND EMPLOYMENT

Out-of-school-hours Study

12. **Mr. Blizzard:** To ask the Secretary of State for Education and Employment what plans he has to establish a new entitlement to regular out-of-school-hours study support for older primary pupils and secondary schools. [119635]

Mr. Wills: We know that taking part in out-of-school-hours study support improves pupil attitudes and is linked to better performance at school. Virtually all schools already provide some study support activities and around half of all pupils attend at least one activity per week. We want to extend that to all pupils, which is why we have announced our intention to provide all older primary and secondary pupils with the opportunity to take part in these activities.

Evidence suggests that disadvantaged young people benefit most from the kind of study support opportunities that other young people may take for granted, such as learning to play a musical instrument or having the space or encouragement to do their homework. It is for these reasons that this Government have, for the first time, ring-fenced significant funding for study support, which we are targeting on young people from disadvantaged areas.

To date, almost 2,000 schools have benefited from a share of the £240 million that is available for study support through the New Opportunities Fund. In addition to this, around 6,800 schools are expected to benefit this year from £20 million of Standards Fund money for study support, and this amount will rise to £60 million next year.

Performance-related Pay (Teachers)

15. **Mr. Gill:** To ask the Secretary of State for Education and Employment what recent representations he has received regarding performance-related pay for teachers. [119638]

Ms Estelle Morris: The Government's proposals for teachers' pay reform were initially outlined in the Green Paper, "Teachers: meeting the challenge of change"

(Cm 4164). We have discussed our proposals extensively with all teacher unions and other key stakeholders. Following publication of the draft School Teachers' Pay and Conditions Document 2000 on 2 May, we are continuing discussions with statutory consultees.

New Deal

18. **Mr. John Smith:** To ask the Secretary of State for Education and Employment what plans he has to extend the scope of the New Deal for the long-term unemployed. [119641]

Ms Jowell: The New Deal for those aged 25 and over has already helped over 38,000 people into jobs. This year we are investing almost £100 million in strengthening the advisory process, making it more intensive and work-focused, and in extending the existing pilots. From April 2001, this New Deal will be extended to all those who have been unemployed for 18 months or more. It will provide intensive support to find work, including high quality training and work experience, building on the successful approach of New Deal for young people.

Information and Communications Technology

19. **Mr. Connarty:** To ask the Secretary of State for Education and Employment what plans he has to ensure that all social groups have equal opportunities for access to information and communications technology. [119643]

Mr. Wills: We are taking forward a range of measures to ensure that everyone can benefit from the advantages of new technologies. The ICT Learning Centres initiative will give many people living in disadvantaged communities in England the opportunity to access the Internet and ICT facilities. We have recently announced a pilot project to wire-up deprived communities to bring housing estates, tower blocks and rural areas on line. We are also introducing a scheme—"Computers within Reach"—to pilot arrangements for those who cannot afford new computers to acquire reconditioned computers. The recently published report of Policy Action Team 15 looked specifically at issues relating to the role of ICT in community renewal, including the availability of ICT to black and minority ethnic groups. We will continue to work with partners and the private sector to address the issue of closing the digital divide.

20. **Dr. Palmer:** To ask the Secretary of State for Education and Employment what support has been given to teachers to ensure that they are able to utilise information and communications technology to raise standards. [119644]

Mr. Wills: The New Opportunities Fund is making available £230 million to support the training of serving teachers and school library staff in the maintained sector in the effective use of information and communication technology (ICT). The training is available to all teachers in maintained schools and is specifically targeted at using ICT in the classroom to support the National Curriculum. In addition, in the period up to 2002, the Department will have supported local education authorities expenditure of more than £700 million on ICT hardware, software and training for their schools.

Dr. Starkey: To ask the Secretary of State for Education and Employment what plans he has to ensure that people in deprived communities develop ICT skills for employability. [119625]

Mr. Wills: From 15 May, we will be making available 50,000 extra training opportunities in England for people claiming benefits to acquire basic computer skills with recognised first-rung qualifications. The courses will increase their chances of getting a job as well as enable those who wish to develop their ICT skills further. In addition, the Government are making £15 million available for a pilot scheme—"Computers Within Reach"—to enable those who cannot afford new computers to acquire reconditioned computers for use in the home for the purpose of improving their employment prospects, for lifelong learning, or for their children's homework. We recently announced a £10 million project to wire up disadvantaged communities, enabling people living in them to use the new information and communications technologies to access jobs, learning opportunities, Government and other services. We are also establishing around 700 ICT Learning Centres in the most deprived communities. These centres will offer access to those initial ICT skills that are increasingly essential to people's job and career prospects.

Complaints Procedures

21. **Dr. Tony Wright:** To ask the Secretary of State for Education and Employment when he expects to proceed with regulations requiring school governing bodies to establish a complaints system. [119645]

Ms Estelle Morris: My right hon. Friend has no immediate plans to do so, especially as the majority of schools have their own complaints procedures. We have to balance the advantages of setting out national minimum requirements against the disadvantages of introducing another bureaucratic burden. School staff should respond seriously to parental concerns and complaints, to avoid the need for them to go to governing bodies. And governing bodies, in their own interests, should have effective mechanisms in place for handling any parental complaints that do reach them, so that difficulties are resolved swiftly and fairly.

Lecturers

22. **Mr. Edwards:** To ask the Secretary of State for Education and Employment what plans he has to improve the pay and conditions of part-time lecturing staff in further and higher education. [119646]

Mr. Wicks: Pay and conditions for FE and HE staff are an important issue, although the detailed arrangements are for employers to determine. We have increased the funding for higher education by over £1 billion over the four years to 2001–02. And we have made the biggest ever investment in FE, increasing funds from £3.1 billion in 1998–99 to £3.9 billion in 2001–02. We are encouraging employers and unions to work together on sensible ways forward under the improved circumstances we have created.

Better Regulation Task Force

23. **Mr. Sayeed:** To ask the Secretary of State for Education and Employment if he will make a statement

on the implications of the recent report of the better regulation task force for the work of secondary school *(a)* teachers and *(b)* headmasters. [119647]

Ms Estelle Morris: I welcome the report from the Better Regulation Task Force Review of Red Tape Affecting Head Teachers. It is a helpful contribution to the Government's campaign to raise standards in both secondary and primary schools.

My Department is committed to do all that it can to help head teachers and classroom teachers focus on their priority task of raising standards of attainment for pupils. We have already taken steps to reduce needless bureaucracy, but we recognise there is more to be done. We will build on the work we have done and have given the £80 million in 2000–01 for small schools' administrative support.

Headteachers (Gloucestershire)

24. **Mr. Robertson:** To ask the Secretary of State for Education and Employment what assessment he has made of the number of headteachers leaving the profession in Gloucestershire; and if he will make a statement. [119648]

Ms Estelle Morris: The leaving rate of headteachers in Gloucestershire during 1997–98 (the latest year for which figures are available) was 9.4 per cent., similar to the national rate of 9.6 per cent. Since that time the leaving rate of headteachers taking early retirement has declined, although the full figures for headteacher leavers are not yet available.

Higher Education

25. **Dr. Gibson:** To ask the Secretary of State for Education and Employment what steps he is taking to improve teaching standards in higher education. [119649]

Mr. Wicks: The Quality Assurance Agency carries out subject reviews of provision in departments of higher education institutions. These include an assessment of the quality of teaching and the learning experience of the student. In addition, to reinforce the quality of teaching, the Institute for Learning and Teaching in Higher Education has been set up. Its purpose is to:

enhance the status of teaching in higher education;

maintain and improve the quality of learning and teaching in higher education;

set standards of good professional practice that its members, and in due course all those with learning and teaching responsibilities, might follow.

In July 2000, my noble Friend the Minister for Education and Employment in the Lords will award 20 ILT National Teaching Fellowships of £50,000 each. The awards will recognise and reward individual academics who have demonstrated excellence in teaching and support for learning

Teachers' Pay

26. **Mr. Mackinlay:** To ask the Secretary of State for Education and Employment if he will make a statement on consultation with teachers' representative organisations about changes in their pay arrangements. [119650]

Ms Estelle Morris: Since the publication of the Green Paper, Teachers: meeting the challenge of change (Cm 4164), in December 1998, we have consulted extensively with teacher representatives about the proposed changes to teachers' pay structure. On 2 May, we published a draft of the School Teachers' Pay and Conditions Document 2000 for consultation with statutory consultees including teacher unions.

Classroom Assistants

27. **Mr. David Heath:** To ask the Secretary of State for Education and Employment what his assessment is of the effect of the single status agreement on classroom assistants. [119651]

Ms Estelle Morris: The Government take the view that schools and Local Education Authorities are best placed to decide on matters concerning the pay and conditions of local authority staff. The new Single Status Agreement was agreed nationally by local authority employers and staff unions under the auspices of the Local Government Management Board, but its implementation is being determined at local level.

Disruptive Pupils

28. **Dr. Iddon:** To ask the Secretary of State for Education and Employment what plans he has to assist schools in dealing with disruptive pupils. [119652]

Ms Estelle Morris: We are providing more than £500 million over three years, backed up by new guidance on 'Social Inclusion: Pupil Support', to help schools tackle pupils' behavioural problems. From this September we are expanding the Excellence in Cities initiative to 21 additional local education authorities. This will include the provision of additional Learning Mentors and Learning Support Units to help schools better manage disruptive pupils.

In addition, on 27 April my right hon. Friend the Secretary of State announced £28 million to establish 360 LSUs outside Excellence in Cities areas; £8 million to establish 60 pilot LSUs to serve about 200 primary schools in existing EiC areas; a new £2 million innovation fund with the voluntary sector and employers to provide innovative programmes for excluded pupils and pupils at risk of exclusion; and a new £9 million pupil allowance scheme for secondary schools in EiC areas which accept difficult pupils outside the normal admissions round.

Early Years Child Care

29. **Mr. Bill O'Brien:** To ask the Secretary of State for Education and Employment what progress has been made in approving the plans submitted by the Early Years Development and Childcare Partnerships. [119653]

Ms Hodge: All 150 Early Years Development and Childcare Partnerships for 2000–01 have now been assessed: 147 have been given full approval; one conditional approval; and three deferred approval.

Sure Start

30. **Mr. Ben Chapman:** To ask the Secretary of State for Education and Employment if he will make a statement on progress in implementing the Sure Start programme. [119654]

Yvette Cooper: I have been asked to reply.

Of the 60 Sure Start trailblazer programmes that were announced in January 1999, 57 have now received approval and are starting to help young children and their families. The remaining three will follow shortly. In November 1999 we launched the second wave of Sure Start by inviting a further 69 areas to start work to develop local programmes. All of these are now working on drawing up their final plans. This brings the number of Sure Start programmes so far announced to 129.

Head Teachers' Pay

Mrs. Gorman: To ask the Secretary of State for Education and Employment what recent representations he has received on head teachers' pay. [R] [119629]

Ms Estelle Morris: We are engaged in a regular dialogue with representatives of employers and headteachers. The pay arrangements are based on recommendations made by the independent School Teachers' Review Body. We are committed to consulting all key stakeholders before any changes are made. The Government propose to make up to £70 million available over the two years 2000–01 and 2000–02 to support performance-pay awards for heads, as well as for deputies and Advanced Skills Teachers.

Class Sizes

Mr. Tredinnick: To ask the Secretary of State for Education and Employment if he will make a statement on class sizes in primary schools since May 1997. [119639]

Ms Estelle Morris: The size of primary classes has gone down in each of the past two years after rising steadily throughout the previous 10 years. In January 1998, the average size of primary classes was 27.7. In January 1999, the figure was 27.5, and in January 2000 it was 27.1. The figure in January 1988 was 25.4.

Age Discrimination

Ms Julie Morgan: To ask the Secretary of State for Education and Employment what steps have been taken to publicise the Code on age diversity and to combat age discrimination in employment. [119640]

Ms Hodge: The Code of Practice on Age Diversity in Employment is at the heart of our campaign to tackle age discrimination. The Code was developed with the help of key partners, who are promoting it to their members.

Initial advertising concentrated on personnel professionals and managers. The campaign I launched in February to promote the Code to a wider audience uses billboard posters, national and regional press and commercial radio. Further activities and events will continue until the end of the year.

Early Years Education

Mr. Willis: To ask the Secretary of State for Education and Employment how many places are provided by private sector providers in each local education authority as part of their agreed Early Years Childcare and Education Development Partnerships to provide all four-year-olds with an early years education place. [119196]

Ms Hodge *[holding answer 14 April 2000]:* The following table shows the overall numbers of places for four-year-olds in the private, voluntary and independent sectors by local education authority area from autumn 1998 to spring 2000. Figures are not collected separately on private sector places.

The figures show variations between the school terms reflecting the differing admission arrangements to maintained schools operating in each local education authority area.

The number of free places provided for four-year-olds in the private, voluntary and independent sectors, by term, from autumn 1998 to spring 2000 (by LEA area)

LEA number	*LEA name*	*Autumn 1998*	*Spring 1999*	*Summer 1999*	*Autumn 1999*	*Spring 2000*
201	City of London	9	5	11	3	4
202	Camden	520	539	578	531	522
203	Greenwich	373	301	324	337	300
204	Hackney	468	471	522	546	489
205	Hammersmith and Fulham	212	242	285	214	221
206	Islington	175	209	280	203	192
207	Kensington and Chelsea	167	173	148	120	142
208	Lambeth	447	457	580	747	836
209	Lewisham	297	249	311	320	268
210	Southwark	379	355	438	370	386
211	Tower Hamlets	63	66	84	64	65
212	Wandsworth	802	910	936	786	830
213	Westminster	350	353	372	358	356
301	Barking and Dagenham	13	19	30	6	28
302	Barnet	361	639	820	303	592
303	Bexley	367	245	348	315	263
304	Brent	190	263	342	207	274
305	Bromley	1,604	1,192	1,866	1,683	1,196
306	Croydon	586	689	927	552	663
307	Ealing	338	411	505	0	403
308	Enfield	203	507	736	185	505
309	Haringey	56	116	161	53	164
310	Harrow	285	246	371	305	268
311	Havering	96	499	763	92	460
312	Hillingdon	378	330	377	357	323
313	Hounslow	53	85	113	50	98

The number of free places provided for four-year-olds in the private, voluntary and independent sectors, by term, from autumn 1998 to spring 2000 (by LEA area)

LEA number	LEA name	Autumn 1998	Spring 1999	Summer 1999	Autumn 1999	Spring 2000
314	Kingston Upon Thames	106	206	249	137	262
315	Merton	183	217	232	205	242
316	Newham	54	33	46	77	64
317	Redbridge	503	496	593	444	463
318	Richmond Upon Thames	348	520	693	386	564
319	Sutton	283	389	322	244	375
320	Waltham Forest	157	164	183	201	208
330	Birmingham	409	910	1,259	423	1,005
331	Coventry	109	359	514	98	361
332	Dudley	277	252	419	341	258
333	Sandwell	3	45	70	9	52
334	Solihull	77	144	193	90	147
335	Walsall	43	62	72	55	39
336	Wolverhampton	81	92	130	126	103
340	Knowsley	1	19	42	0	31
341	Liverpool	194	397	600	164	436
342	St. Helens	49	162	215	57	149
343	Sefton	169	335	481	155	295
344	Wirral	133	565	850	227	650
350	Bolton	68	239	347	77	250
351	Bury	98	319	457	98	287
352	Manchester	147	177	200	120	157
353	Oldham	59	195	285	72	255
354	Rochdale	38	165	259	26	203
355	Salford	202	255	270	199	226
356	Stockport	233	460	618	257	433
357	Tameside	10	104	173	22	153
358	Trafford	226	235	417	211	367
359	Wigan	14	294	539	5	322
370	Barnsley	87	117	124	123	181
371	Doncaster	54	89	111	61	104
372	Rotherham	168	185	161	170	212
373	Sheffield	644	707	852	750	786
380	Bradford	95	285	424	87	324
381	Calderdale	66	175	248	58	174
382	Kirklees	139	269	445	178	323
383	Leeds	300	527	701	306	520
384	Wakefield	192	216	245	194	229
390	Gateshead	78	169	240	52	206
391	Newcastle Upon Tyne	209	278	334	197	236
392	North Tyneside	42	48	61	31	63
393	South Tyneside	0	15	23	0	10
394	Sunderland	58	96	131	53	103
420	Isles of Scilly	11	6	10	0	4
800	Bath and North East Somerset	114	487	758	158	455
801	Bristol, City of	205	522	736	220	548
802	North Somerset	97	553	868	62	507
803	South Gloucestershire	69	687	1,171	67	686
805	Hartlepool	10	15	24	14	0
806	Middlesbrough	14	16	37	25	54
807	Redcar and Cleveland	6	11	15	3	6
808	Stockton on Tees	87	61	69	85	78
810	Kingston Upon Hull	67	190	256	56	207
811	East Riding of Yorks	308	652	900	332	691
812	North East Lincolnshire	48	173	299	48	172
813	North Lincolnshire	45	145	240	38	38
815	North Yorkshire	438	1,131	1,772	418	1,109
816	York, City of	224	293	428	215	338
820	Bedfordshire	472	774	951	518	792
821	Luton	146	182	209	125	206
825	Buckinghamshire	1,300	1,521	1,759	1,277	1,583
826	Milton Keynes	538	606	582	579	616
830	Derbyshire	980	1,043	1,564	988	1,095
831	Derby, City of	273	277	401	295	269
835	Dorset	283	1,155	1,817	255	1,189
836	Poole	92	400	612	67	397
837	Bournemouth	147	432	662	146	444
840	Durham	50	210	320	48	233
841	Darlington	108	98	145	95	105
845	East Sussex	352	1,452	2,292	402	1,448
846	Brighton and Hove	262	609	884	261	675
850	Hampshire	940	4,222	6,719	919	4,305

The number of free places provided for four-year-olds in the private, voluntary and independent sectors, by term, from autumn 1998 to spring 2000 (by LEA area)

LEA number	LEA name	Autumn 1998	Spring 1999	Summer 1999	Autumn 1999	Spring 2000
851	Portsmouth	130	500	802	92	508
852	Southampton	83	500	819	86	514
855	Leicestershire	1,597	2,233	2,562	1,815	2,452
856	Leicester, City of	211	284	324	223	337
857	Rutland	28	94	152	20	83
860	Staffordshire	243	554	805	237	551
861	Stoke on Trent	31	69	81	45	79
865	Wiltshire	872	1,720	2,642	965	1,631
866	Swindon	166	569	933	120	497
867	Bracknell Forest	505	506	480	523	556
868	Royal Borough of Windsor and Maidenhead	630	637	769	711	748
869	West Berkshire	431	480	481	449	439
870	Reading	404	460	450	505	470
871	Slough	173	183	183	158	152
872	Wokingham	853	877	797	854	880
873	Cambridgeshire	170	1,384	2,205	219	1,403
874	Peterborough	28	562	886	19	497
875	Cheshire	452	1,825	2,722	381	1,695
876	Halton	5	204	348	2	211
877	Warrington	14	296	597	4	342
878	Devon	2,632	1,959	2,930	2,726	2,033
879	Plymouth	1,122	679	1,094	992	580
880	Torbay	333	242	399	379	244
881	Essex	4,198	4,742	5,793	4,104	4,720
882	Southend-on-Sea	516	519	692	354	524
883	Thurrock	239	198	337	224	267
884	Herefordshire	332	430	641	266	457
885	Worcestershire	743	1,618	2,244	743	1,447
886	Kent	3,595	4,613	7,290	3,282	4,600
887	Medway Towns (R&G)	450	801	1,323	1,109	790
888	Lancashire	321	2,202	3,562	305	2,333
889	Blackburn with Darwen	50	214	253	54	179
890	Blackpool	66	369	546	75	387
891	Nottinghamshire	1,211	1,268	1,226	1,212	1,317
892	Nottingham, City of	364	382	355	380	412
893	Shropshire	1,165	1,171	1,007	1,137	1,169
894	Telford and Wrekin	445	432	393	446	472
908	Cornwall	306	773	1,137	310	825
909	Cumbria	105	468	732	88	573
916	Gloucestershire	393	1,846	3,019	406	1,950
919	Hertfordshire	1,487	1,662	1,724	1,517	1,619
921	Isle of Wight	45	446	707	50	466
925	Lincolnshire	252	1,137	1,725	239	1,117
926	Norfolk	1,445	1,725	2,758	1,474	1,693
928	Northamptonshire	259	1,409	2,207	290	1,367
929	Northumberland	36	172	258	30	160
931	Oxfordshire	2,493	2,534	2,351	2,388	2,605
933	Somerset	211	1,440	2,487	250	1,565
935	Suffolk	1,031	1,483	1,754	1,034	1,400
936	Surrey	2,195	4,080	5,515	2,185	4,064
937	Warwickshire	387	1,442	2,103	395	1,366
938	West Sussex	1,371	2,630	3,770	1,349	2,615
Total		59,708	97,503	134,926	60,430	99,290

New Deal (Disabled People)

Mr. Ainger: To ask the Secretary of State for Education and Employment how many disabled people have found work through the new deal for the disabled since its inception. [119633]

Ms Hodge: We have been piloting the New Deal for Disabled People since autumn 1998. Our experience shows that for many people on incapacity benefits the journey back to work will be lengthy. I am pleased therefore to be able to say that to the end of March this year some 2,755 people had found employment.

Financial Literacy

Mr. McCabe: To ask the Secretary of State for Education and Employment what steps he is taking to improve levels of financial literacy. [119623]

Jacqui Smith: Financial capability is part of the new national guidelines for Personal, Social and Health Education which were issued to schools last year and come into effect this autumn. From the start of the school year 2002, secondary school pupils will also learn about the rights and responsibilities of consumers, employees and employers as part of Citizenship in the

National Curriculum. This will be complemented by the work of the Adult Financial Literacy Advisory Group, set up to identify good ideas and existing best practice to give adults the skills and confidence to handle their finances.

National Disability Council

Mrs. Betty Williams: To ask the Secretary of State for Education and Employment when the National Disability Council will report on its recent activities. [121250]

Ms Hodge: I am pleased to announce that the National Disability Council's report for 1999–2000 has been laid before Parliament today. The report, copies of which are available in the Library, describes the work of the Council in its final full year of operation. A letter from the Council's Chairman, David Grayson, reporting on activities between 6 April and 24 April has also been laid today. It is also available in the Library.

The work of the Council was subsumed by the Disability Rights Commission when it began operating on 25 April. This report and letter are, therefore, the final reports on the Council's activities. Accordingly, I want to take this opportunity to pay tribute to the hard work and commitment that Mr. Grayson and the Council's members brought to their work. They have made a positive impact and helped improve the lives of disabled people. I am particularly grateful to them for the way in which the Council helped pave the way for the Commission. Because of their good efforts the Commission inherited an exceptionally good base from which to begin its work.

Connexions Service

Mr. Hope: To ask the Secretary of State for Education and Employment if he will publish the prospectus and specification for the Connexions Service. [121261]

Mr. Wicks: I am pleased to announce that the prospectus and specification for the Connexions Service has been published today. Copies are being placed in the Library and will be sent to a wide range of organisations this week including members of the Learning and Skills Committee.

Learning Accounts

Fiona Mactaggart: To ask the Secretary of State for Education and Employment if he will make a statement on progress on establishing the national framework for learning accounts. [121279]

Mr. Wicks: Implementation of the national framework is progressing to timetable. Individuals can currently open accounts under local arrangements with Training and Enterprise Councils. From mid-June they will be able to open them through the national framework and use their accounts for learning from September, benefiting from the full range of incentives available to learning account holders. I am pleased to announce that the Department has issued a letter of intent to Capita Group to start the development of these services under the national framework.

School Sixth Forms

Mr. Willis: To ask the Secretary of State for Education and Employment how many schools' sixth forms have been *(a)* closed and *(b)* opened in each LEA in each of the years 1992–93 to 1999–2000. [119691]

Ms Estelle Morris: The number of sixth forms for each local education authority that have been approved to open or close since 1992 is given in the tables:

	Number of sixth forms approved							
Local education authority	*1992*	*1993*	*1994*	*1995*	*1996*	*1997*	*1998*	*1999*
Berkshire (pre 1 April 1998)	—	—	—	1	—	3	—	—
Birmingham	1	1	—	—	1	1	—	—
Bradford	—	—	—	—	—	—	—	1
Buckinghamshire (pre 1 April 1997	—	—	—	1	—	—	—	—
Calderdale	—	—	1	—	—	—	—	—
Cambridgeshire (pre 1 April 1998)	—	1	—	3	—	—	—	—
Cornwall	—	—	—	—	2	—	—	—
Derby City	—	—	—	—	—	—	1	—
Derbyshire (pre 1 April 1997)	—	—	2	2	3	—	—	—
Devon	—	—	2	—	—	—	—	1
Dorset (pre 1 April 1997)	—	1	—	—	—	4	—	—
Dudley	—	—	—	1	—	—	—	—
Ealing	—	—	—	—	—	—	—	1
East Sussex	—	—	—	—	—	—	—	1
Essex (pre 1 April 1998)	3	—	1	3	2	—	—	—
Gateshead	—	—	—	1	—	—	—	—
Gloucestershire	—	—	—	—	—	—	—	2
Hampshire (pre 1 April 1997)	—	—	3	2	1	—	—	—
Havering	—	—	1	—	—	—	—	—
Kent (pre 1 April 1998)'	1	—	1	—	25	6	—	—
Lambeth	—	—	—	1	—	—	—	—
Lincolnshire	—	—	3	—	3	—	—	—
Manchester	—	—	—	—	—	1	—	—
Norfolk	—	1	2	1	1	—	—	—
North Yorkshire (pre 1 April 1996)	—	—	—	1		—	—	—
Nottinghamshire (pre 1 April 1998)	—	—	1	—	—	—	—	—

Local education authority	Number of sixth forms approved							
	1992	1993	1994	1995	1996	1997	1998	1999
Rochdale	—	—	—	1	—	—	—	—
Sandwell	—	—	—	—	1	—	—	—
Staffordshire (pre 1 April 1997)	—	—	—	—	—	1	—	—
Suffolk	—	—	2	—	3	—	1	—
Surrey	—	—	—	1	—	1	—	—
Sutton	—	—	—	—	—	1	—	1
Tameside	—	—	—	—	1	—	—	—
Trafford	—	—	—	—	1	—	—	—
Waltham Forest	—	1	1	—	1	—	—	—
Wiltshire (pre 1 April 1997)	—	—	1	—	—	—	—	—
Wolverhampton	1	—	—	—	—	—	—	—

[1] A number of these sixth forms had been operating prior to the publication of proposals

Sixth forms approved to close

Year	Name of LEA	Number of sixth forms
1998	Wakefield	1
1999	Leicester City	2
1999	Liverpool	1
1999	North Somerset	1

Birth Certificates

Mr. Caton: To ask the Secretary of State for Education and Employment for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120321]

Mr. Wills: The Department requests a birth certificate from the following persons:

employees—where there is any doubt about their age, in circumstances where they are being considered for voluntary or compulsory early release or normal age retirement as prescribed by the Principal Civil Service Pension Scheme and the Civil Service Compensation Scheme;

those applying for employment—as reliable evidence of age, nationality and, with other documents, their identity;

others—include those eligible children of members of the Principal Civil Service Pension Scheme who die in service; where positive proof of their lineage is required so they can be paid pension entitlements.

Although the Department does not as a rule request birth certificates from current contractors or those applying for contracts, there have been circumstances, where there is a doubt on age, where a birth certificate has been requested to establish whether their employees are within legal age limits for employment.

Grant-maintained Schools

Mr. Clappison: To ask the Secretary of State for Education and Employment what was the average amount received by *(a)* former grant-maintained primary schools and *(b)* former grant-maintained secondary schools as a result of cash protection in 1999–2000 expressed (i) in cash terms and (ii) on a per pupil basis. [120257]

Ms Estelle Morris: The table provides the information requested:

£

	Average amount per school[1]	Average amount per pupil
Primary schools	16,900	60
Secondary schools	39,800	41

[1] To nearest £100

These figures have been estimated on the basis of information supplied to the Department by local education authorities.

Benefit Entitlement (Over-60s)

Mr. Caplin: To ask the Secretary of State for Education and Employment if he plans to make benefit entitlement for those aged over 60 years dependent on their willingness to take up employment. [120912]

Mr. Blunkett: The Performance and Innovation Unit report, "Winning the Generation Game", published last month made 75 recommendations about improving people's opportunity to contribute to society in their later working years. This included a recommendation that the over-60s exemption from JSA be removed as pension ages are equalised between 2010 and 2020. However, the Government have no plans before then to introduce forms of conditionality for older workers which would move beyond the requirement to attend for interview and advice on employment prospects and benefit from the generous programme of measures we have introduced to make work pay for the over-50s. Consideration of how the recommendations will be implemented will be taken in due course and will seek to build on the clear philosophy and policy already set out by the Government.

NORTHERN IRELAND

Rural Households

Mr. McWalter: To ask the Secretary of State for Northern Ireland if he plans to provide assistance to householders in rural areas of Northern Ireland who do not have access to mains water and sewerage connections. [121114]

Mr. George Howarth: I can announce that from today the reasonable cost limit for connection of an existing property to mains water supplies will be increased from

£2,900 to £5,000. The reasonable cost limit for connection to the public sewers will also be increased from £2,300 to £4,000. This will enable nearly a third of all homes at present without running water—an estimated 6,000 in total—to link with the mains water and sewerage systems for the first time.

Technical constraints mean it will still be impossible to connect some remote homes to mains supplies. These homes will continue to rely on private water supplies, some of which may not be entirely satisfactory. I have therefore instructed my officials to explore whether it would be possible to provide some form of assistance to help people who live in these remote dwellings to improve the quality of their private supplies.

The maximum cost allowances available for the connection of new properties to mains water and sewerage services are currently under review. Revised charging guidelines for the provision of water and sewerage infrastructure to new properties will be introduced on 1 January 2001.

In the interim, the current maximum cost allowances of £2,900 for connection to mains water supplies, and £2,300 for connection to public sewerage services will continue to be applied to all properties.

Prison Service

Ms Moran: To ask the Secretary of State for Northern Ireland when the Northern Ireland Prison Service intends to publish its 2000 to 2003 Corporate and Business Plan; and what performance targets have been set for 2000 to 2001. [121115]

Mr. Ingram: The Northern Ireland Prison Service's Corporate and Business Plan for 2000–03 was published today. The following key performance targets have been set for 2000–01:

1. To ensure 100 per cent. security for prisoners in high and top risk categories.
2. To ensure at least 99.5 per cent. security for prisoners in medium and low risk categories.
3. To ensure that the number of assaults by prisoners on staff is less than the 1999–2000 level of 9.4 per 100 prisoners.
4. To ensure that the number of assaults by prisoners on prisoners is less than the 1999–2000 level of 9.5 per 100 prisoners.
5. To achieve an 80 per cent. utilisation of available places in education, and training and employment workshops.
6. To ensure that an average of at least 50 per cent. of the eligible prison population is working to a sentence plan.
7. To evaluate the system of booked visits and, if appropriate, introduce to a second establishment by March 2001.
8. To achieve an average of at least five days development and training per member of staff.
9. To ensure that the average cost per prisoner place does not exceed the range £76,000-£81,000.

FOREIGN AND COMMONWEALTH AFFAIRS

Birth Certificates

Mr. Caton: To ask the Secretary of State for Foreign and Commonwealth Affairs for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120319]

Mr. Hain: A birth certificate or similar documentary evidence may be required for one or more of the following reasons:

Proof of identity

Proof of eligibility under the Civil Service nationality rules

Proof of age

Kosovo

Ms Kelly: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the supply of demining equipment for use by BACTEC International in Kosovo. [121192]

Mr. Vaz: We have approved the export to the Federal Republic of Yugoslavia (FRY) of 18 sets of protective body armour and helmets for use by BACTEC International Ltd., an organisation engaged in humanitarian demining activities in Kosovo on behalf of the United Nations Interim Administration in Kosovo (UNMIK).

These goods are on the Military List. UN Security Council resolution UNSCR 1160 (1998) imposed an arms embargo on the FRY. The only exception to this embargo is that in UNSCR 1244 (1999), which provides that prohibitions imposed by UNSCR 1160 shall not apply to the sale or supply of arms and related material for use by the international civil and security presence in Kosovo. We have notified the UN Sanctions Committee of this export and they have raised no objection. The export of the equipment required for demining purposes is not prohibited by the EU arms embargo.

Echelon Surveillance System

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs what his policy is on debate within the EU on the Echelon surveillance system. [120774]

Mr. Vaz: Policy on the interception of communications is a matter for member states. There are, however, some areas which may impinge on surveillance and interception related matters, such as data protection, in which the EU has a legitimate interest. It is the long-standing policy of the British Government, as of many other governments, not to comment on alleged interception activity.

International Criminal Court

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from Governments other than that of the United States concerning the recent US proposal to provide a Supplemental Document and a Rule to Article 98 of the Rome Statute of the International Criminal Court. [120762]

Mr. Hain: We have received no such representations.

DEFENCE

Richard Hudson

Mr. Todd: To ask the Secretary of State for Defence what steps he has taken to protect the rights of Mr. Richard Hudson, arrested for a driving offence in Macedonia in August 1999. [118359]

Mr. Spellar: I refer my hon. Friend to the answer given to him on 11 April 2000, *Official Report*, column 112W, by the Minster of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Neath (Mr. Hain).

Training Ammunition

Mr. Quentin Davies: To ask the Secretary of State for Defence what assessment he has made of the adequacy of the supplies of training ammunition held by Challenger II tanks in Bosnia and Kosovo. [120790]

Mr. Spellar: Challenger II has only recently been introduced to Kosovo and is being introduced to Bosnia shortly. The supplies of training ammunition held by units for use by main battle tanks in Bosnia and Kosovo are entirely adequate for their needs. The facilities and opportunities for training in Bosnia are good, but the operational environment in Kosovo does not currently afford such good opportunities.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Waste Incineration

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ensure that small incinerators, used for the cremation of pets at pet cemeteries, will not become illegal when the EU Waste Incineration Directive is implemented; and if he will make a statement. [120720]

Mr. Hill: The proposed Waste Incineration Directive is now in the last stages of negotiations. It will not, however, affect existing incinerators for five years, and we are looking at implementation options which will minimise the burden on small animal incinerators, including pet crematoria, while ensuring that there are appropriate environmental safeguards.

RMT Union

Mr. Robathan: To ask the Secretary of State for the Environment, Transport and the Regions (1) what discussions he has had with the leader of the RMT Union in the last 12 months; [120721]

(2) how many meetings with officials of the RMT Union he has had in the last 12 months; [120722]

(3) how many RMT receptions and events he has attended in the last 12 months. [120724]

Mr. Hill: I refer the hon. Member to the answer I gave to the hon. Member for East Worthing and Shoreham (Mr. Loughton) on 16 March 2000, *Official Report*, columns 335–36W.

Aircraft Airworthiness Directives

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions which categories of aircraft are covered by Civil Aviation Authority airworthiness directives issued via the Authority. [120759]

Mr. Mullin: The purpose of airworthiness directives is to specify actions which are necessary to ensure the continuing airworthiness of particular aircraft. An airworthiness directive will normally apply to a specific type of aircraft.

Airworthiness directives will normally be issued by the State which is responsible for the design of an aircraft. The Civil Aviation Authority requires all aircraft on the UK register to comply with airworthiness directives issued by the State of Design. In addition, the CAA may issue airworthiness directives relating to any UK registered aircraft if they believe it necessary for the safe operation of the aircraft.

Ordnance Survey

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what performance targets have been set for the Ordnance Survey Department and Executive Agency in 2000–01. [121081]

Ms Beverley Hughes: The following performance targets have been set for Ordnance Survey in 2000–01:

1. To achieve a revenue target of £82.3 million (excluding the National Interest Mapping Service Agreement).
2. To achieve a return on sales of not less than 5 per cent. (excluding the National Interest Mapping Service Agreement).
3. To ensure that, by 31 March 2001, at least 99.5 per cent. of existing major detail is surveyed and available to customers.
4. To despatch 92 per cent. of small scale product ordered within three working days.
5. OS will achieve efficiency savings across activities associated with collecting and maintaining the data held within the National Topographic Database, producing and distributing products/services to customers and all other associated support activities. The long-term target is to achieve an efficiency gain of 6 per cent. over the period April 2000 to March 2004. The target for 2000–01 is 1.5 per cent.
6. OS recognises the importance of developing its website at www.ordnancesurvey .gov.uk to become the focus for electronic interaction with its customers and public. We intend that by improving the electronic services available for public and specialist users we will increase the number of visits to the Ordnance Survey website, compared with the last half of 1999–2000 by at least 100 per cent. by 31 March 2001.

These targets, some of which are being increased, are closely associated with the key Corporate Aims of Ordnance Survey and demonstrate the Agency's continuing commitment to customers and to improved value for money for all its stakeholders.

HOME DEPARTMENT

Asylum Seekers

Mr. Waterson: To ask the Secretary of State for the Home Department how many asylum seekers entered Britain on the Eurostar service in each of the last 36 months. [119989]

Mrs. Roche: Over the last 36 months there have been a total of 9,180 port asylum applications at Waterloo, and 165 at Ashford in Kent, which is also served by Eurostar. A month by month breakdown is provided in the table.

Figures are rounded to the nearest five. An asterisk means less than two.

Month	*Number of port asylum applications at Waterloo*	*Number of port asylum applicants at Ashford*
1997		
April	170	5
May	160	*
June	180	5
July	280	5
August	425	*
September	160	*
October	150	5
November	120	*
December	200	*
1998		
January	215	5
February	210	5
March	220	5
April	215	5
May	185	*
June	335	5
July	250	5
August	340	*
September	200	5
October	200	*
November	225	5
December	285	5
1999		
January	245	5
February	270	*
March	265	*
April	285	5
May	445	15
June	600	20
July	520	10
August	215	10
September	175	5
October	190	*
November	160	5
December	270	10
2000		
January	225	5
February	285	5
March	305	5
Total	9,180	165

Shona McIsaac: To ask the Secretary of State for the Home Department how many asylum seekers have entered the UK through the port of Immingham since May 1997; and what were their countries of origin. [119407]

Mrs. Roche: Since May 1997 there have been no asylum applications lodged by passengers arriving at Immingham. However, the breakdown of those who entered the port of Immingham illegally and subsequently sought asylum is shown in the table.

	1997	*1998*	*1999*	*2000*[1]	*Total*
Afghanistan	—	—	46	24	70
Bhutan	—	—	1	—	1
China	—	—	15	18	33
Ethiopia	—	—	—	2	2
India	—	—	1	2	3
Iran	—	—	4	1	5
Yugoslavia (Kosovo)	8	11	112	19	150
Nepal	—	—	1	3	4
Pakistan	—	—	4	—	4
Romania	—	—	1	—	1
Sri Lanka	—	13	47	19	79
Turkey	—	—	11	24	35
Total	8	24	243	112	387

[1] To 16 April

Homosexual Malaysian Nationals (Deportation)

Ms Oona King: To ask the Secretary of State for the Home Department if he will make a statement on his policy on deporting Malaysian nationals who are known by the Malaysian authorities to be homosexual. [120749]

Mrs. Roche: Any application by a Malaysian national to enter or remain in the United Kingdom is considered on its individual merits, taking account of the Immigration Rules including the terms of any concessions, information and advice about conditions in Malaysia, and an assessment of any potential risk to the individual.

Prison Adjudications

Sir Peter Lloyd: To ask the Secretary of State for the Home Department if he will list the offences and punishments imposed at adjudications in HM Prisons Ashwell, Camp Hill and Everthorpe from March 1999 to March 2000 or the latest 12 month period available. [120624]

Mr. Boateng: The information requested is given in the tables.

Offences punished and punishments given in prison—April 1999 to March 2000: HMP Everthorpe

	Confined to cell/room	*Forfeiture of privileges*	*Stoppage or reduction of earnings*	*Caution*	*Other*	*Additional days awarded*	*All punishments*	*All offences*
All offences	93	10	64	28	8	675	878	786
Violence	6	0	3	1	1	26	37	28
Assault on an officer	1	0	0	0	1	2	4	3
Assault on an inmate	2	0	0	1	0	6	9	7
Assault on any other person	0	0	0	0	0	1	1	1
Detains any person	0	0	0	0	0	0	0	0
Fights with any person	3	0	3	0	0	17	23	17
Escape/absconds	0	0	0	0	0	1	1	1
Escapes from prison or legal custody	0	0	0	0	0	1	1	1
Attempted escape	0	0	0	0	0	0	0	0

Offences punished and punishments given in prison—April 1999 to March 2000: HMP Everthorpe

	Confined to cell/room	*Forfeiture of privileges*	*Stoppage or reduction of earnings*	*Caution*	*Other*	*Additional days awarded*	*All punishments*	*All offences*
Disobedient/disrespect	51	6	37	20	5	204	323	273
Is disrespectful	2	0	0	2	0	5	9	8
Threats/abusive words or behaviour	10	4	7	4	3	50	78	62
Fails/refuses to work	4	0	13	3	1	30	51	44
Disobeys any lawful order subtotal	32	1	14	8	1	97	153	130
Refusal to provide a sample for drug testing	1	0	0	0	0	17	18	18
Falsifying a drug test sample	0	0	0	0	0	0	0	0
Any other lawful disorder	31	1	14	8	1	80	135	112
Disobeys any rule or regulation	3	1	3	3	0	22	32	29
Good order and discipline offences	0	0	0	0	0	0	0	0
Wilful damage	6	0	6	2	1	22	37	31
Sets fire to prison or property	1	0	0	0	0	2	3	3
Destroys/damages prison or property	5	0	6	2	1	20	34	28
Unauthorised transactions	25	4	6	3	1	360	399	384
Of which drug offences	13	3	0	1	1	273	291	285
Unauthorised use of controlled drug	13	3	0	1	1	270	288	282
Possession of unauthorised drug	0	0	0	0	0	0	0	0
Sells/delivers drugs to person	0	0	0	0	0	0	0	0
Receives drugs during visit	0	0	0	0	0	3	3	3
Of which other	12	1	6	2	0	87	108	99
(a) possesses an unauthorised article	9	1	6	2	0	75	93	86
(b) possesses greater quantity than authorised	0	0	0	0	0	2	2	2
Sells/delivers unauthorised article	3	0	0	0	0	5	8	6
Sells/delivers articles allowed only for own use	0	0	0	0	0	5	5	5
Knowingly consumes alcohol	0	0	0	0	0	0	0	0
Other offences	5	0	12	2	0	62	81	69
Denies access to any part of the prison to an officer	2	0	0	0	0	3	5	3
Endangers the health or personal safety of others	2	0	7	2	0	40	51	46
Intentionally obstructs an officer in executing his duty	0	0	0	0	0	3	3	3
Fails to comply with any temporary release condition	1	0	0	0	0	7	8	7
Takes any article belonging to another person or to a prison	0	0	2	0	0	4	6	4
Absent from where required/present at unauthorised place	0	0	3	0	0	5	8	6

Offences punished and punishments given in prison—April 1999 to March 2000: HMP Camp Hill

	Confined to cell/room	*Forfeiture of privileges*	*Stoppage or reduction of earnings*	*Caution*	*Other*	*Additional days awarded*	*All punishments*	*All offences*
All offences	132	139	232	21	41	354	919	593
Violence Total	23	22	17	3	11	41	117	64
Assault on an officer	4	5	1	0	0	8	18	8
Assault on an inmate	4	4	4	0	2	4	18	7
Assault on any other person	0	0	0	0	0	0	0	0
Detains any person	0	0	0	0	0	0	0	0
Fights with any person	15	13	12	3	9	29	81	49
Escape/absconds Total	1	1	1	0	0	2	5	2
Escapes from prison or legal custody	1	1	1	0	0	2	5	2
Attempted escape	0	0	0	0	0	0	0	0
Disobedient/disrespect Total	74	73	133	14	20	103	417	247
Is disrespectful	4	4	3	0	2	1	14	4
Threats/abusive words or behaviour	26	30	28	1	8	26	119	56
Fails/refuses to work	0	0	2	0	0	0	2	2
Disobeys any lawful order subtotal	33	33	66	11	10	66	219	133
Refusal to provide a sample for drug testing	0	0	0	0	0	3	3	3
Falsifying a drug test sample	0	0	0	0	0	0	0	0
Any other lawful disorder	33	33	66	11	10	63	216	130
Disobeys any rule or regulation	11	6	34	2	0	10	63	52
Good order and discipline offences	0	0	0	0	0	0	0	0

Offences punished and punishments given in prison—April 1999 to March 2000: HMP Camp Hill

	Confined to cell/room	*Forfeiture of privileges*	*Stoppage or reduction of earnings*	*Caution*	*Other*	*Additional days awarded*	*All punishments*	*All offences*
Wilful damage Total	2	3	9	2	1	9	26	15
Sets fire to prison or property	0	0	1	0	0	1	2	1
Destroys/damages prison or property	2	3	8	2	1	8	24	14
Unauthorised transactions Total	20	25	34	2	2	187	270	217
Of which drug offences	11	15	10	0	2	159	197	163
Unauthorised use of controlled drug	9	13	9	0	2	125	158	126
Possession of unauthorised drug	2	2	1	0	0	32	37	35
Sells/delivers drugs to person	0	0	0	0	0	0	0	0
Receives drugs during visit	0	0	0	0	0	2	2	2
Of which other	9	10	24	2	0	28	73	54
(a) possesses an unauthorised article	9	10	24	2	0	25	70	51
(b) possesses greater quantity than authorised	0	0	0	0	0	0	0	0
Sells/delivers unauthorised article	0	0	0	0	0	2	2	2
Sells/delivers articles allowed only for own use	0	0	0	0	0	0	0	0
Knowingly consumes alcohol	0	0	0	0	0	1	1	1
Other offences Total	12	15	38	0	7	12	84	48
Denies access to any part of the prison to an officer	0	0	0	0	0	0	0	0
Endangers the health or personal safety of others	3	2	4	0	2	0	11	5
Intentionally obstructs an officer in executing his duty	0	1	4	0	1	2	8	4
Fails to comply with any temporary release condition	0	0	0	0	0	0	0	0
Takes any article belonging to another person or to a prison	1	2	4	0	0	3	10	8
Absent from where required/present at unauthorised place	8	10	26	0	4	7	55	31

Offences punished and punishments given in prison—April 1999 to March 2000: HMP Ashwell

	Confined to cell/room	*Forfeiture of privileges*	*Stoppage of earnings*	*Caution*	*Other*	*Additional days awarded*	*All punishments*	*All offences*
All offences	2	6	324	58	2	552	944	832
Violence	0	0	6	0	0	15	21	17
Assault on an officer	0	0	0	0	0	6	6	6
Assault on an inmate	0	0	0	0	0	5	5	5
Assault on any other person	0	0	0	0	0	0	0	0
Detains any person	0	0	0	0	0	0	0	0
Fights with any person	0	0	6	0	0	4	10	6
Escape/absconds	0	0	0	0	0	0	0	0
Escapes from prison or legal custody	0	0	0	0	0	0	0	0
Attempted escape	0	0	0	0	0	0	0	0
Disobedient/disrespect	1	2	138	30	2	137	310	263
Is disrespectful	0	0	1	0	0	1	2	1
Threats/abusive words or behaviour	0	0	26	6	1	25	58	49
Fails/refuses to work	0	0	17	2	0	12	31	23
Disobeys any lawful order subtotal	0	0	36	3	0	55	94	79
Refusal to provide a sample for drug testing	0	0	0	0	0	2	2	2
Falsifying a drug test sample	0	0	0	0	0	1	1	1
Any other lawful disorder	0	0	36	3	0	52	91	76
Disobeys any rule or regulation	1	2	58	19	1	43	124	110
Good order and discipline offences	0	0	0	0	0	1	1	1
Wilful damage	0	0	5	0	0	4	9	5
Sets fire to prison or property	0	0	0	0	0	0	0	0
Destroys/damages prison or property	0	0	5	0	0	4	9	5
Unauthorised transactions	0	2	55	12	0	274	343	323
Of which drug offences	0	0	4	1	0	188	193	187
Unauthorised use of controlled drug	0	0	4	1	0	176	181	175
Possession of unauthorised drug	0	0	0	0	0	11	11	11
Sells/delivers drugs to person	0	0	0	0	0	0	0	0
Receives drugs during visit	0	0	0	0	0	1	1	1
Of which other	0	2	51	11	0	86	150	136
(a) possesses an unauthorised article	0	2	49	11	0	82	144	131

Offences punished and punishments given in prison—April 1999 to March 2000: HMP Ashwell

	Confined to cell/room	*Forfeiture of privileges*	*Stoppage of earnings*	*Caution*	*Other*	*Additional days awarded*	*All punishments*	*All offences*
(b) possesses greater quantity than authorised	0	0	1	0	0	2	3	2
Sells/delivers unauthorised article	0	0	0	0	0	2	2	2
Sells/delivers articles allowed only for own use	0	0	1	0	0	0	1	1
Knowingly consumes alcohol	0	0	0	0	0	0	0	0
Other offences	1	2	120	16	0	122	261	224
Denies access to any part of the prison to an officer	0	0	0	0	0	1	1	1
Endangers the health or personal safety of others	1	0	12	2	0	23	38	33
Intentionally obstructs an officer in executing his duty	0	0	0	0	0	2	2	2
Fails to comply with any temporary release condition	0	0	0	0	0	1	1	1
Takes any article belonging to another person or to a prison	0	0	1	0	0	5	6	6
Absent from where required/present at unauthorised place	0	2	107	14	0	90	213	181

Samar Alami

Sir Peter Lloyd: To ask the Secretary of State for the Home Department for what reasons Samar Alami was returned to HM Prison Durham from HM Prison Holloway before she had been able to use all her accumulated visiting time; why this return was made without *(a)* warning and *(b)* explanation; and if he will make a statement. [120678]

Mr. Boateng: Samar Alami was returned to Durham prison two days early, before she had completed her accumulated visits, as a result of an administrative error. I am sorry for the inconvenience caused. Ms Alami will be credited with her unused visits and will receive an apology.

Schengen Information System

Mr. Mitchell: To ask the Secretary of State for the Home Department, pursuant to his answer of 12 April 2000, *Official Report*, column 236W, concerning the Schengen information system, which treaty, article or protocol provides the EU treaty base for the system. [120742]

Mrs. Roche: The Schengen Information System has not been allocated any specific legal base, and is accordingly deemed to be based on Title VI of the Treaty on European Union, in accordance with Article 2(1), fourth sub-paragraph, of the Schengen Protocol (Protocol No. 2 annexed to the European Communities Treaty and the Treaty on European Union).

General Pinochet

Mr. Waterson: To ask the Secretary of State for the Home Department if he will institute a review of his decision that General Pinochet was unfit to stand trial in this country following subsequent medical evidence; and if he will make a statement. [120546]

Mr. Straw: I am not aware of any subsequent medical evidence which would call my decision in this case into question.

Prisoners (Average Wages)

Miss Widdecombe: To ask the Secretary of State for the Home Department what was the average wage for prisoners who were *(a)* unemployed, *(b)* on the basic level of regime, *(c)* on the standard level of regime and *(d)* on the enhanced level of regime, in the latest year for which figures are available. [120689]

Mr. Boateng: Above prescribed minimum rates, levels of prisoner pay are set at governor's discretion and will vary depending upon the type of work offered and the regime in place. At present, establishments do not provide headquarters with the information required to answer this question. The multi-faceted nature of regimes in the Prison Service estate means that the collation of these statistics would entail expense beyond acceptable levels.

Vivisection

Dr. Ladyman: To ask the Secretary of State for the Home Department what assessment he has made of the operation of the confidentiality agreement between his Department and the British Union for the Abolition of Vivisection in relation to offences committed under the Protection of Animals Act 1911. [117710]

Mr. Mike O'Brien *[pursuant to his reply, 6 April 2000, c. 601–02W]:* The word 'enforcing' was inadvertently substituted for the word 'entering' in the final paragraph. The final paragraph should read:

> Although in evidence in the consultation on Freedom of Information, they made representations that the Home Office should have a presumption against entering such an agreement, the BUAV requested such an agreement in connection with this case.

CABINET OFFICE

Parliamentary Commissioner for Administration

Mr. Steen: To ask the Minister for the Cabinet Office in how many cases the recommendations of the Parliamentary Commissioner for Administration were not implemented by the relevant Government Departments in each of the last five years. [120346]

Marjorie Mowlam: The Government normally accept, and implement, the Parliamentary Ombudsman's recommendations in full. I am not aware of any cases over the past five years where a recommendation made by the Ombudsman has not been implemented by the Department concerned.

CULTURE, MEDIA AND SPORT

Social Housing (Digital TV)

Mr. Colman: To ask the Secretary of State for Culture, Media and Sport if he will hold meetings with the local government associations and the Housing Corporation to ensure that communal aerials in social housing are upgraded to enable the tenants to purchase and use digital television and receive an adequate digital signal. [118965]

Janet Anderson: The Government recognise the difficulties which those who rely on shared aerial systems may face in receiving digital transmissions. The ITC, the BBC and the digital broadcasters all provide free advice about the technical solutions available and a number of local authorities have already agreed technical solutions with the digital broadcasters. However, I am arranging to meet representatives of the LGA and the Housing Corporation to draw their attention to this issue, and I will write to my hon. Friend to let him know the outcome of that meeting.

Parliamentary Question

Mr. Faber: To ask the Secretary of State for Culture, Media and Sport when he will reply to the question tabled on 7 March by the hon. Member for Westbury concerning the capacity of a venue suitable for staging the World Athletics Championships (ref. 114146). [119044]

Kate Hoey *[holding answer 14 April 2000]:* I refer the hon. Member to the reply I gave on 2 May 2000, *Official Report*, column 16W.

HEALTH

Depression (Teenagers)

Mr. Sheerman: To ask the Secretary of State for Health what steps he is taking to raise awareness of general practitioners of best practice in treating teenagers affected by depression. [119668]

Mr. Hutton: This year £5 million from the National Health Service Modernisation Fund has been allocated to health authorities in order to improve child and adolescent mental health provision at the primary care level.

In addition to maintaining awareness of mental health developments through extensive vocational training and professional development throughout their careers, general practitioners are closely involved in the mental health priorities set out in "Our Healthier Nation", National Priorities Guidance, and the National Service Framework on Mental Health which together underline our commitment to mental health and the role of GPs in its treatment.

Private Management Contracts

Mr. Swayne: To ask the Secretary of State for Health how many private management contracts have been awarded within the NHS since May 1997; and if he will list the value of the contracts by NHS region. [118862]

Mr. Denham *[holding answer 20 April 2000]:* The information requested is shown in the table. It relates to schemes approved since May 1997 under the private finance initiative which have reached financial close with capital values over £1 million.

Region	*Number of schemes reached financial close*	*Capital value (£ million)*
Northern and Yorkshire	12	416.54
Trent	7	29.25
Eastern	2	167.90
London	9	405.40
South East	9	182.24
South West	6	117.81
West Midlands	5	181.10
North West	5	89.20
Total	55	1,589.44

Health Records

Mr. Andy King: To ask the Secretary of State for Health what provision exists for NHS patients to dispute factual inaccuracies in their health records. [120745]

Ms Stuart: Under the Data Protection Act 1998 patients have a right to know what is in their health records. If a patient believes that information recorded about them is inaccurate they have a legal right under the Act to request that the inaccurate information is amended or deleted.

Genetically Modified Crops

Joan Ruddock: To ask the Secretary of State for Health, pursuant to his answer of 8 March 2000, *Official Report*, column 744W, on genetically modified crops, if he will list the antibiotics to which marker genes used in the production of genetically modified animal feed convey resistance and the medical uses of those antibiotics. [120723]

Ms Stuart: The antibiotic resistance marker genes in question are among those detailed in the reply given to my hon. Friend on 8 March 2000, *Official Report*, column 744W, to which she refers. Not all of these marker genes have been used in products capable of use for animal feed. Those which have are listed in the table:

Gene	*Antibiotic*
Kan (nptII or neo)	Amnioglycoside antibiotics including kanamycin and neomycin
Strep/spec (or aad)	Streptomycin and spectinomycin
Amp (or bla)	Narrow spectrum lactam antibiotics such as ampicillin and amoxycillin

The medical use of these antibiotics is as given in the previous reply.

SOCIAL SECURITY

Regeneration-related Initiative

Mr. Don Foster: To ask the Secretary of State for Social Security (1) if he will list for each *(a)* area-based and *(b)* other regeneration-related initiative for which his Department is responsible (i) the amount budgeted and (ii) the total expended in each financial year for the planned lifetime of each initiative; [119791]

(2) if he will list the number and value of *(a)* bids for and *(b)* grants made in each of the last three financial years for which figures are available, for each (i) area-based and (ii) other regeneration-related initiative for which his Department is responsible. [119799]

Mr. Rooker *[holding answer 20 April 2000]:* This Department is not directly responsible for funding regeneration-related initiatives. However, the Department provides substantial support for people living in deprived areas through the benefits system and the range of improvements to the welfare systems since 1997.

Pensioner Incomes

Mr. Willetts: To ask the Secretary of State for Social Security how many pensioners had an income less than £10 above the minimum income guarantee in *(a)* 1999–2000 and *(b)* 2000–01; and what is his estimate for 2001–02. [119943]

Mr. Bayley *[holding answer 20 April 2000]:* Estimates for the years 1999–2000 and 2001–02 are not available. This is because the Departments modelling system cannot make future projections, and producing like for like figures for previous years would involve disproportionate costs due to modelling and data changes between years.

In 2000–01 an estimated 515,000 pensioners have an income of up to £10 above the minimum income guarantee level.

Notes:

1. Figures are in 2000–01 prices and benefit levels.

2. Cases have been rounded to the nearest 5,000.

3. The figure has been calculated using the Pensioner Income Series Data based on the 1997–98 FRS and the Policy Simulation Model (PSM) for Income Related benefits, based on 1997–98 Family Resources Survey data.

4. The Department's Policy Simulation Model is built to represent the baseline situation in mid-2000–01 and is then used to assess the effect of changing policy against that base case. Consequently estimates are only available for the part of the question that relates to this time period.

Carers' Benefits

Jackie Ballard: To ask the Secretary of State for Social Security what plans he has to raise carers' benefits taking into account the increase in the minimum wage; and if he will make a statement. [120391]

Mr. Bayley: Invalid Care Allowance is an income maintenance benefit which is paid to help protect the carer from the financial effects of being unable to work full-time. It is not intended to be a carer's wage nor a payment for the services of caring. Its rate, therefore, is not linked to, or dependent on, the National Minimum Wage.

However, we are committed to keeping financial support for carers under review and we are continuing to do this, in the context of follow-up work to the National Carers' Strategy, and our response to the Royal Commission on Long Term Care.

TREASURY

Birth Certificates

Mr. Caton: To ask the Chancellor of the Exchequer for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120311]

Miss Melanie Johnson: Each of the Chancellor's Departments and agencies (HM Treasury, HM Customs and Excise, Inland Revenue, National Savings, Office for National Statistics, Royal Mint, Government Actuary, Debt Management Office and Valuation Office Agency) requires, as part of the basic check on new employees, some evidence of identity; age (for pensions purposes); and of the right to work in the UK. Such evidence depends upon whether or not the applicant is a UK or EC national but might be provided from a combination of different documents including a full British passport, P45, valid British driving licence, birth certificate, proof of residence at a given address, etc, or (where relevant) a full EC or other national passport; an identity card issued by an EC country; or other proof of immigration status and/or the right to work. Most Departments also require contractors to make checks similar to the basic check on their employees.

Birth certificates, as evidence of identity, are not required to be furnished by other persons.

Annuities

Mr. Coaker: To ask the Chancellor of the Exchequer what are the results of the review by the Inland Revenue of the income drawdown arrangements for annuities; and if he will make a statement. [120201]

Miss Melanie Johnson: Changes to simplify the administration of income drawdown where purchase of an annuity from a personal pension scheme has been deferred were announced in a press release issued on 7 April 2000 by the Department of Social Security and the Inland Revenue. These changes reflect representations made during the recent Inland Revenue review and will be implemented in the current Finance Bill along with amendments to secondary legislation.

Privatisation

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer if he will list the privatisations since 1979 together with the number and percentage of shares allocated to the employees at the date of privatisation and the number and percentage of shares so held *(a)* one year after privatisation and *(b)* three years after privatisation. [120618]

Mr. Andrew Smith: The Government have not collected information on the number and percentage of shares held by employees in privatised companies either at the time of privatisation or since then. Such information could be provided only at disproportionate cost.

HOUSE OF COMMONS

Voicemail

Mrs. Dunwoody: To ask the Chairman of the Information Committee what was the total cost of the installation of voicemail in *(a)* Norman Shaw North and *(b)* other parliamentary buildings; what performance targets have been set for the operation of the system; and how many performance targets have been missed and on how many occasions in the last 12 months. [119853]

Mr. Allan: The Information Committee endorsed the House-wide introduction of the CCTA/Global Crossing Voice Mail service at its meeting of 10 May 1999. The cost of the service in 1999–2000 was around £92,000. The costs cannot be broken down by building as the system is a function of the central parliamentary switchboard which does not require the installation of local equipment.

The day to day performance of the system and associated targets are operational matters for the Head of Telecommunications. I have therefore asked him to respond directly to the hon. Member on the performance of the system against target.

Susan Hamilton Secretarial Agency

Mr. Mackinlay: To ask the Chairman of the Accommodation and Works Committee in respect of the Susan Hamilton Secretarial Agency, what rent is paid for the accommodation it occupies in the House; what the terms of the tenancy are; when the *(a)* rent and *(b)* tenancy is next subject to review; if it will be subject to tender; and what the ratio is of Members of the House of (i) Lords to (ii) Commons who use it. [119854]

Sir Sydney Chapman: This is a matter for the Serjeant at Arms; I have asked him to write to the hon. Member.

INTERNATIONAL DEVELOPMENT

Gambia

Mr. McDonnell: To ask the Secretary of State for International Development if she will review the Government's aid to the Government of The Gambia following the recent deaths of demonstrators in pro-democracy marches. [120302]

Clare Short: We remain deeply concerned at the death and injury of students in the demonstrations on 10 and 11 April. The UK made immediate representations to the Government of The Gambia protesting at the handling of the demonstrations. A Coroners Inquest is already sitting and a full Commission of Inquiry is being set up to establish responsibility for the events. We continue to monitor the situation closely and urge the Government of The Gambia to ensure the inquiry is independently led, transparent, and free from political interference.

Since the resumption of our development programme in The Gambia in 1998, we have committed over £4 million to projects through government and civil society, aimed at improved governance, social inclusion, education management and capacity building for community based organisations. We are keeping the programme under constant review in the light of the Government's policies for the reduction of poverty, and respect for human rights.

Written Answers to Questions

Friday 5 May 2000

EDUCATION AND EMPLOYMENT

Regulation of Investigatory Powers Bill

Mr. Cohen: To ask the Secretary of State for Education and Employment if he will make a statement on his policy in respect of the use his Department, its agencies and public bodies will make of the powers relating to the authorised obtaining of communications data in Part I, Chapter II of the Regulation of Investigatory Powers Bill once the Bill is enacted. [119511]

Mr. Wills: I refer my hon. Friend to the answer given by my right hon. Friend the Secretary of State for the Home Department on 19 April 2000, *Official Report*, column 509W.

Learning and Skills Council

Mr. Willis: To ask the Secretary of State for Education and Employment what is the *(a)* estimated (i) capital and (ii) revenue cost of establishing and *(b)* projected staffing establishment of each local arm of the Learning and Skills Council in England for each of the next three years. [119254]

Mr. Wicks: *(a)* Estimates of the capital and revenue costs of establishing each local Council are not available as these will depend on the outcome of individual negotiations in each area to secure premises and to establish teams of staff. We estimate the total transitional costs of moving to the new arrangements to be some £60 million to £65 million over the next two years (2000–02). Overall, we estimate that the new arrangements will from 2001–02 produce savings in administration of at least £50 million per year compared with the current position.

(b) Projections of the staff numbers in each local Council for each of the next three years are not available since these matters will be determined by the Learning and Skills Council itself when it comes into being. However, for planning purposes we estimate that local Councils will on average have 80–90 staff.

Sixth Forms (Funding)

Mr. Clappison: To ask the Secretary of State for Education and Employment how much each local education authority has spent per sixth form pupil in each of the last five years. [120256]

Mr. Wicks: Although local education authorities produce budget and outturn statements for their expenditure on schools, information is not recorded in the form requested.

Standards Fund (Further Education)

Mr. Michael J. Foster: To ask the Secretary of State for Education and Employment (1) what was the total amount of Standards Fund expenditure allocated to further education in each year since June 1997–98 in England and Wales; [120597]

(2) if he will list the allocation of Standards Fund expenditure to further education by recipient in each year since 1997–98 for England and Wales; [120598]

Mr. Wicks: The FE Standards Fund in England was introduced in April 1999. £35 million was allocated for 1999–2000; £98 million is earmarked for 2000–01 and £160 million for 2001–02.

The data requested are as follows for 1999–2000:

	£
FE Colleges	31,639,796
Other developmental expenditure (governor/principal training)	440,682
Basic Skills Quality Programme	350,000
Further Education National Training Organisation	500,000
Further Education Development Agency	1,750,000
Standards Fund Evaluation	300,000

A breakdown of the allocations provided to individual colleges has been placed in the Library.

The Standards Fund expenditure allocated to further education in Wales is a matter for my right hon. Friend the Secretary of State for Wales.

Further and Higher Education

Mr. Edwards: To ask the Secretary of State for Education and Employment what plans he has to improve the pay and conditions of part-time lecturers in further and higher education. [121069]

Mr. Wicks: Pay and conditions for FE and HE staff are an important issue, although the detailed arrangements are for employers to determine. We have increased the funding for higher education by over £1 billion over the four years to 2001–02. And we have made the biggest ever investment in FE, increasing funds from £3.1 billion in 1998–99 to £3.9 billion in 2001–02. We are encouraging employers and unions to work together on a sensible way forward under the improved circumstances we have created.

Careers Service

Mr. Willis: To ask the Secretary of State for Education and Employment which Careers Service contractors hold *(a)* a Charter Mark, *(b)* an Investors in People award and *(c)* an International Standards Organisation registration. [120779]

Mr. Wicks: The Careers Service accreditations are as follows:

Charter Mark

Calderdale and Kirklees Careers
Career Connections
Career Decisions
CareerLink
Careers Partnership
Cheshire Guidance
Cornwall and Devon Careers
Cumbria Careers
East Lancashire Careers
Essex Careers and Business Partnership
Guidance Enterprises (Wakefield)
Guidance Enterprises (York and North Yorkshire)
Lifetime Careers Bolton, Bury and Rochdale
Lifetime Careers Stockport and High Peak
Lifetime Careers Wiltshire
Oldham Careers
Quality Careers
St. Helens Career Services
Somerset Careers
Wigan Careers

Investors in People

3S Strategies
Calderdale and Kirklees Careers
Cambridgeshire Careers
CareerLink
Career Path (Northamptonshire)
Careers Bradford
Careers and Education Business Partnership
Central Careers
CfBT Bedfordshire
CfBT West London
Cheshire Guidance Partnership
City of Sunderland Careers
Cornwall and Devon Careers
County Durham Careers
Derbyshire Careers
Dorset Careers
Enterprise Careers
Essex Careers and Business Partnership
Futures Careers Guidance
Future Steps
Guidance Enterprises (York and North Yorkshire)
Guidance Enterprises (Wakefield)
GuideLink Careers
Hereford and Worcester Careers
Hertfordshire Careers
Humberside Partnership
Learning Partnership West (Avon)
Learning Partnership West (Gloucestershire)
Leeds Careers
Leicestershire Careers
Lifetime Careers Barnsley, Doncaster and Rotherham
Lifetime Careers Bolton, Bury and Rochdale
Lifetime Careers Brent and Harrow
Lifetime Careers Wiltshire
Lincolnshire Careers
London South Bank Careers
Norfolk Careers
Northumberland Guidance Company
Oldham Careers
Prospects Careers (Black Country)
Prospects Careers (North London)
Prospects Careers (South London)
Quality Careers
Search
Sheffield Careers
Shropshire Careers
Somerset Careers
Suffolk Careers
Surrey Careers
Sussex Careers
Tyneside Careers Partnership
VT Southern Careers
VT West Sussex Careers
Warwickshire careers
Wigan Careers

International Standards Organisation

3S Strategies
Calderdale and Kirklees Careers
Capital Careers
Careers Partnership
Cheshire Guidance
City of Sunderland Careers
Essex Careers and Business Partnership
Future Steps
Guidance Enterprises (York and North Yorkshire)
Hertfordshire Careers
Wigan Careers.

Disability Discrimination Act

Mr. Campbell-Savours: To ask the Secretary of State for Education and Employment when the remaining provisions of Part III of the Disability Discrimination Act 1995 will be implemented; and if he will make a statement. [121312]

Ms Hodge: We have decided that the final stage of Part III of the Disability Discrimination Act should come into force on 1 October 2004. From that date, in addition to their current duties, service providers will have to take reasonable steps to remove, alter or provide a reasonable means of avoiding physical features which make it impossible or unreasonably difficult for disabled people to use a service.

I asked the National Disability Council to review the existing Code of Practice to take account of this final stage of the duties on service providers. A revised version of the Code and a Practical Guide for service providers were handed over to the Disability Rights Commission when it began operating on 25 April. Public consultation on the revised Code of Practice and Guide, and

the Government's proposals for a small number of Regulations under the Act, starts on 8 May and will last for three months.

The Commission will consider the views expressed in the consultation before preparing final versions of the Code and Guide.

HOUSE OF COMMONS

Harmon *v.* House of Commons Corporate Officer

Mr. Baker: To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, if he will place in the Library a copy of the report by Sir Thomas Legg and Mr. Peter Bosworth on the case of Harmon *v.* House of Commons Corporate Officer. [120780]

Mr. Kirkwood: I refer the hon. Gentleman to my answer to the hon. Member for Broxbourne (Mrs. Roe) on 19 April 2000, *Official Report*, column 502W, in which I said that the action is still sub judice. The Commission has decided not to release the report at present.

DEFENCE

Low Flying

Mr. Quentin Davies: To ask the Secretary of State for Defence what is the lowest operational attitude at which the C130J aircraft is cleared to fly in the RAE. [120410]

Mr. Spellar *[holding answer 3 May 2000]:* While the C130J is being introduced into service and development of its full tactical capability continues, the lowest operational altitude for which it is cleared is 2000 ft, except for take-off, visual circuits, instrument approaches and landings. Clearance for low level operation will follow when trials work is complete.

HEALTH

Regulation of Investigatory Powers Bill

Mr. Cohen: To ask the Secretary of State for Health if he will make a statement on his policy in respect of the use his Department, its agencies and public bodies will make of the powers relating to the authorised obtaining of communications data in Part I, Chapter II of the Regulation of Investigatory Powers Bill once the Bill is enacted. [119518]

Ms Stuart: I refer my hon. Friend to the reply given by the Home Secretary on 19 April 2000, *Official Report*, column 509W.

Deafblind People

Mr. Andrew George: To ask the Secretary of State for Health what plans he has to include standards relevant to the provision of domiciliary services to deafblind people, including communicator-guide and intervenor services, in the domiciliary care standards under development by his Department. [120414]

Mr. Hutton: We are currently considering the needs of all those receiving domiciliary services with a view to publishing a consultation document later this year. The standards will be the minimum core standards required for registration with the National Care Standards Commission. However, providers should be able to demonstrate that appropriate personal care is delivered to the required standards.

Mr. Andrew George: To ask the Secretary of State for Health what plans he has to consult deafblind users of domiciliary care services, including communicator-guide and intervenor services, in relation to the setting of domiciliary care standards. [120415]

Mr. Hutton: We are currently considering the needs of all those receiving domiciliary care services with a view to publishing a consultation document later this year. A core steering group and a wider reference group have developed the draft national minimum standards and a User Forum was held in January 2000.

Mr. Andrew George: To ask the Secretary of State for Health what plans he has to include standards relevant to deafblind people in the care standards for residential services for adults. [120416]

Mr. Hutton: We are planning to include standards relevant to deafblind people in the national standards for care homes for adults with disabilities and special needs. Relevant interests have been consulted. The standards are being drafted and will be published for consultation later this year.

Social Services

Mr. Steen: To ask the Secretary of State for Health what the *(a)* spending per head on social services was in each of the last three years and *(b)* standard spending assessment per head for social services was in each of the last three years and is for 2000–01, in (i) Devon and (ii) England. [120828]

Mr. Hutton: The available information is given in the table.

£

	Gross expenditure on personal social services per head of population[1]		*Standard spending assessment*[2] *for personal social services per head of population*[1]	
	Devon[3]	*England*	*Devon*[3]	*England*
1996–97	191	189	131	141
1997–98	206	203	142	150
1998–99	210	219	141	158
1999–2000	—	—	147	167
2000–01	—	—	155	176

[1] Mid year population estimates with 1998 mid year estimate used also for 1999–2000 and 2000–01.

[2] On 1 April 1998 Plymouth and Torbay became separate unitary authorities; expenditure in these areas is included in the Devon expenditure and SSAs for 1996–97 and 1997–98 but excluded from the Devon expenditure and SSAs for 1998–99 onwards.

[3] Standard Spending Assessments (SSAs) are not comparable with actual expenditure. SSAs represent the unhypothecated resources provided to local authorities for social services. They include any expenditure funded from charges or from Department of Health grants or other grants.

Correspondence

Mr. Beith: To ask the Secretary of State for Health when he will reply to the letter dated 2 December 1999 from the right hon. Member for Berwick-upon-Tweed about access to specialist alcohol services in the North-East. [121065]

Mr. Hutton: My right hon. Friend replied to the right hon. Member on 4 May.

HOME DEPARTMENT

Fire Service

Mrs. Lawrence: To ask the Secretary of State for the Home Department when he expects to publish the report of the inquiry into the machinery for determining firefighters' conditions of service. [121340]

Mr. Straw: I announced in the reply I gave my hon. Friend the Member for Colne Valley (Kali Mountford), on 12 April 2000, *Official Report*, column 226W, that I had received professor Burchill's recommendations and was consulting upon them. I very much welcome his proposals for improving the working of the National Joint Council for Local Authorities' Fire Brigades and the positive reaction there has been to them. I have now arranged for the report of the inquiry to be published today as a Command Paper and for copies to be placed in the Library. I am asking for further comments from interested parties on the detail of the report and its recommendations to reach me by the end of this month.

Criminal Records Bureau

Mr. Donald Anderson: To ask the Secretary of State for the Home Department when he expects to publish the Criminal Records Bureau Corporate and Business Plans. [121341]

Mr. Charles Clarke: I have today published the Criminal Records Bureau Corporate and Business plans for 2000–05, and copies have been placed in the Library.

UK Passport Agency

Mr. Savidge: To ask the Secretary of State for the Home Department when he expects to publish the UK Passport Agency's Corporate and Business Plans. [121342]

Mr. Straw: I have today published the United Kingdom Passport Agency's Corporate and Business Plans and copies have been placed in the Library.

Demonstrations

Dr. Jack Cunningham: To ask the Secretary of State for the Home Department what powers he has to ban demonstrations by individuals and organisations with records of violent conduct, destruction of property and vandalism; and if he will make a statement. [121000]

Mr. Straw: Under section 13 of the Public Order Act 1986, a chief officer of police may apply to the district council for an order prohibiting marches or processions which he reasonably believes may result in serious public disorder, serious damage to property or serious disruption to the life of the community. Such an order requires my consent. In London, the Commissioners of Police may apply direct to me as Home Secretary for such consent. The chief officer may also attach conditions to such marches and to public assemblies. There is no power to prohibit peaceful public assemblies.

Section 14A of the 1986 Act similarly enables a chief officer to apply for and order prohibiting trespassory assemblies within a specified area, if he reasonably believes that such an assembly may result in serious disruption to the life of the community or in significant damage to land or buildings of historical, architectural, archaeological or scientific importance. This power applies only to areas to which the public has no right of access or only to a limited right of access.

Such bans do not apply to specified individuals or groups, but in considering applications I will give due weight to the police assessment of the potential for disorder or disruption to the community, including any available information on the groups likely to be involved.

INTERNATIONAL DEVELOPMENT

Ethiopia

Mr. Streeter: To ask the Secretary of State for International Development when she expects the famine relief funded by her Department to be distributed in Ethiopia. [118816]

Mr. Foulkes: Since January, we have committed over 24,000 metro tonnes (MT) of food aid to be provided through the ICRC and international non-governmental organisations. Most of this has been distributed or is in the process of being distributed. The distribution of the remaining 5,400MT is expected to start at the beginning of June.

Dr. Tonge: To ask the Secretary of State for International Development what discussions she has had with her EU and UN counterparts concerning the use of the Lokichokio World Food Programme airfield in Northern Kenya for providing assistance to Ethiopia. [120767]

Mr. Foulkes *[holding answer 4 May 2000]:* The World Food Programme have no plans at present to use Lokichokio airfield. If a large scale air operation is needed WFP would consider Lokichokio among a number of options. Its use would depend on its cost effectiveness.

Dr. Tonge: To ask the Secretary of State for International Development if she will list the long-term development aid projects her Department supports in Ethiopia; and if she will make a statement. [120768]

Mr. Foulkes *[holding answer 4 May 2000]:* Our bilateral development programme is currently running at about £4 million to £5 million a year. We are supporting the following activities:

Police Training

Public Expenditure Review/Poverty Reduction Strategy Paper

Governance Fund

Technical Co-operation Training Programme

Ethiopian Roads Authority Contract Capacity Building

EU Food Security/Employment Generation Schemes Expert

DFID Food Security Field Manager

Support to the Ethiopian Food Security Reserve

Review of the Ethiopian Food Security Reserve

Community Water Development Project—Phase II (Save the Children Fund)

Review of Rehabilitation Programme (Overseas Development Institute)

Prevention and Independent Monitoring of Disposal of Obsolete Pesticides

DPPC Food Aid Targeting Guidelines Preparation (Save the Children Fund)

Rapid Appraisal of Pastoral Emergency Response Interventions

DFID Small Grants Scheme.

Dr. Tonge: To ask the Secretary of State for International Development how much her Department has contributed to the UN appeal for Ethiopia launched in January; and on what dates her Department provided the funds. [120765]

Mr. Foulkes *[holding answer 4 May 2000]:* Both the UN Appeal and the Government of Ethiopia Appeal in January 2000 identify priorities for assistance. The £7.3 million we have committed since January 2000 is targeted on these priorities.

Dr. Tonge: To ask the Secretary of State for International Development what assessment she has made of the amount of food aid necessary to replenish Ethiopia's food reserves; and how much food aid was pledged by the EU to Ethiopia's food reserves in *(a)* 1998, *(b)* 1999 and *(c)* 2000. [120763]

Mr. Foulkes *[holding answer 4 May 2000]:* We understand that the physical stock in the Reserve currently stands at 90,000 metric tonnes (MT) of food. The United States, World Food Programme and the EU expect to provide a further 200,000MT by the end of July. The EU have pledged 110,000MT for the Food Reserve, which will be delivered by July 2001. The EU repaid 89,267MT to the Food Reserve in 1998 and 61,293MT in 1999.

Dr. Tonge: To ask the Secretary of State for International Development what recent discussions she has had with her EU counterparts concerning the provision of food aid to replenish Ethiopia's reserve stocks. [120757]

Mr. Foulkes *[holding answer 4 May 2000]:* Our officials have been in close contact with EU officials to monitor the replenishment of Ethiopia's reserve stock. At January 2000 the EU owed 84,000 metric tonnes (MT). They have since repaid 16,000MT and are confident that they will be able to repay the total amount by the end of July this year.

Zimbabwe

Dr. Tonge: To ask the Secretary of State for International Development which long-term development aid projects her Department supports in Zimbabwe; and if she will make a statement. [120766]

Mr. Foulkes *[holding answer 4 May 2000]:* DFID is currently supporting the following long-term projects in Zimbabwe:

Women's Civic Education (£0.987 million: 1999–2002)

Empowerment of Farm Worker Communities (£1.6 million: 1999–2002)

Wills and Inheritance Laws (£0.86 million: 2000–03)

Bikita Integrated Rural Water Supply and Sanitation (£2.725 million: 1995–2001)

Lupane Integrated Rural Water Supply and Sanitation (£3.54 million: 1996–2002)

Rural Water Point Upgrading/Rehabilitation (£0.873 million: 1998–2001)

Small Dams Rehabilitation (£1.96 million: 1997–2001)

Agricultural Services and Management (£5.75 million: 1999–2002)

Assistance to Department of Veterinary Services (£0.9 million: 1998–2001)

Credit for the Informal Sector (£1.3 million: 1995–2002)

Takura Investments (£0.426 million: 1996–2001)

Agribusiness Entrepreneur Network and Training (£0.492 million: 1997–2001)

Assistance to Developing Enterprises Project Team (£1.4 million: 1997–2001)

Bulilima-Mangwe Water Supply and Environmental Rehab. (£0.311 million: 1998–2001)

Community Based Maintenance of Water Points in Binga (£0.243 million: 1998–2001)

Social Marketing of Condoms (£2.8 million: 1996–2001)

Sexual Health Project (£9.2 million: 1994–2000)

Privatisation Agency Support (£2.2 million: 1998–2001)

Zimbabwe Police Organisational Development (£6.438 million: 1997–2002)

Rural District Council Capacity Building (£10.6 million: 1996–2001)

Civil Society Land Resettlement Challenge Fund (£5 million: 2000–04).

We have suspended the following project:

Land Rovers for Zimbabwe Republic Police (£8.41 million: 1998–2001).

We are keeping the Zimbabwe programme activities under constant review to ensure that projects can remain effective in current circumstances.

Dr. Tonge: To ask the Secretary of State for International Development if she will publish details of trade and aid projects her Department has approved for Zimbabwe between *(a)* June 1997 and December 1997, *(b)* January 1998 and December 1998 and *(c)* January 1999 and April 2000; and if she will make a statement. [120758]

Mr. Foulkes *[holding answer 4 May 2000]:* The Aid and Trade Provision was closed to new applications when this Government took office in May 1997. Only one outstanding project has been approved for Zimbabwe since May 1997, and no others are under consideration. This project, initiated by the previous administration but approved in September 1998, was for the supply of 1,500 Land Rover Defenders to the Zimbabwe Republic Police. It was suspended in April 2000 since the conditions of the grant are not currently being met by the Zimbabwe Government.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Motorways

Mr. Pike: To ask the Secretary of State for the Environment, Transport and the Regions what percentage of motorway route miles in England are unlit; what plans he has to increase the provision of motorway lighting; and if he will make a statement. [120080]

Mr. Hill: Approximately 70 per cent. of the motorway network in England is unlit.

Lighting is provided in high accident areas. The decision on whether to provide lighting is based on an assessment carried out in accordance with the DETR "New Approach to Appraisal". This covers an economic assessment of the capital, maintenance and energy costs against the potential savings as a result of the reduction in night time personal injury accidents; and an assessment of environmental impacts.

Apart from this, there is no programme to extend road lighting to unlit sections of motorway. The situation is kept under review.

Mr. Pike: To ask the Secretary of State for the Environment, Transport and the Regions how many people have been killed in road accidents on motorway hard shoulders in each of the last five years for which figures are available; and if he will make a statement. [120078]

Mr. Hill: The data requested are given in the table.

Casualties killed on entering or leaving a hard shoulder of motorway: Great Britain 1994–98

	On lay-by/hard shoulder	*Entering lay-by/hard shoulder*	*Leaving lay-by/hard shoulder*	*All hard shoulder*
1994	8	0	3	11
1995	8	3	0	11
1996	7	3	0	10
1997	4	0	1	5
1998	13	3	1	17

Health and Safety Executive

Helen Jones: To ask the Secretary of State for the Environment, Transport and the Regions what is the ratio of field inspectors to policy inspectors in the Health and Safety Executive. [120388]

Mr. Meacher *[holding answer 2 May 2000]:* HSE has no "policy inspectors" as such. The ration of field inspectors to inspectors employed in non-field posts in the Health and Safety Executive is around 7:1.

OSPAR Conference (Copenhagen)

Mr. McGrady: To ask the Secretary of State for the Environment, Transport and the Regions if he will consult with hon. Members on the United Kingdom strategy for the June 2000 OSPAR Conference in Copenhagen, prior to finalising the UK submission. [120711]

Mr. Meacher: I have regularly set out in a written parliamentary answer the main lines which the United Kingdom delegation will take at the annual meetings of the OSPAR Commission for the protection of the marine environment of the North East Atlantic. I intend to continue this practice for the next annual meeting in June in Copenhagen. If any hon. Members have any points that they would wish the Government to take into account in this context, I shall be glad if they will let me know, so that I can consider them. I would be happy to receive a delegation of MPs to discuss this.

East Coast Main Line

Mr. McNamara: To ask the Secretary of State for the Environment, Transport and the Regions if he will instruct the Franchising Director to take particular account when granting the franchise for the East Coast main line, of companies which propose to increase the number of direct train services between Hull and London. [120646]

Mr. Hill: The Instructions and Guidance the Deputy Prime Minister gave the Franchising Director in September last year set out six criteria for him to take into consideration when assessing bids for new franchises. They are: the commitment of existing franchise operators to performance, customer services, innovation, investment and efficiency; the extent to which extra or earlier investment can be obtained; the extent to which better performance can be secured; the extent to which integrated transport measures can be achieved; the extent to which passengers will be given a greater voice in the level and standard of services and; affordability and value for money to the tax payer. The Franchising Director announced on 14 March the shortlisted bidders for the East Coast Main Line franchise. I understand that he is having separate discussions about improved services to Hull.

North Wales Main Line

Dr. Marek: To ask the Secretary of State for the Environment, Transport and the Regions further to his answer of 18 April, *Official Report*, column 456W, on the North Wales Main Line, if he will place a copy of the study produced by Virgin Trains in March 1999 in the Library. [120730]

Mr. Hill: *[holding answer 2 May 2000]:* The study was in fact produced in March 1998. I am unable to place a copy in the Library as it remains commercially confidential.

Groundwater Charges

Mr. Yeo: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the amount that British farmers have paid in groundwater charges in each of the years since the charge was introduced; and what his forecast is of the figures for the current year and each of the next three years. [120563]

Mr. Mullin *[holding answer 3 May 2000]:* During the transitional period of the Groundwater Regulations 1998, from 1 January to 31 March 1999, the Environment Agency received over 12,000 applications from farmers in England and Wales for groundwater authorisations representing a total of around £1 million. From 1 April 1999 to 31 March 2000 the Agency received a further 131 applications amounting to total charges of around £12,000. Around £870,000 has been paid by farmers to the Agency as annual "maintenance" charges in respect of authorisations. This will be reimbursed following the announcement, in March, of the Government's Agriculture Strategy. The total charges payable for the current and subsequent years will depend on the number of applications made by farmers for authorisations, though the Agency's current estimates would indicate total charges to farmers for new applications of up to £300,000 for 2000–01. The administration of the Regulations in Scotland is a matter for the Scottish Executive.

Car-free Sundays

Mr. Dobbin: To ask the Secretary of State for the Environment, Transport and the Regions what plans his Department has to encourage cities to introduce car-free Sundays. [120842]

Mr. Hill: None.

Correspondence

Mr. Beith: To ask the Secretary of State for the Environment, Transport and the Regions when he will reply to the letter dated 14 December 1999 from the right hon. Member for Berwick-upon-Tweed, regarding the proposals to introduce cabinet-style committees in the National Park Authority. [121064]

Mr. Meacher: I replied to the right hon. Member on 4 May.

FV Gaul

Ms Squire: To ask the Secretary of State for the Environment, Transport and the Regions when the reports he commissioned into *(a)* the efforts previously made by the Department to locate the wreck of the FV Gaul and *(b)* the results of the examination of graves found in Northern Russia will be published. [121343]

Mr. Prescott: Both of the reports by Roger Clarke, formerly Director of Shipping and Ports in my Department, are published today and copies have been placed in the Library of the House.

Roger Clarke's report on the Department's previous efforts to locate the wreck of the Gaul identifies lapses of corporate memory both in my Department and in the Ministry of Defence, in the latter instance following the destruction of files. We deeply regret these mistakes, and any distress they may have caused, particularly to the families of those lost with the Gaul.

Roger Clarke makes a number of recommendations on these and other matters regarding the location and examination of marine casualties. We intend to act on all his recommendations, and our responses to each of them have also been placed in the Library.

His second report deals with the investigation of a number of graves in Northern Russia which may have contained the remains of victims of the Gaul. DNA samples were taken but no match has been found. Roger Clarke's report details the way this onerous investigation was undertaken. Details which identify those who provided DNA samples have been deleted from the published report.

CULTURE, MEDIA AND SPORT

World Class Performance

Mr. Wyatt: To ask the Secretary of State for Culture, Media and Sport if he will set targets for the world class performance sportsmen and women for the Sydney 2000 Olympics, and publish them before 1 September. [121042]

Kate Hoey: It is not for Ministers to set such targets. We have asked UK Sport for information and I will write to my hon. Friend as soon as it is available, placing copies of my letter in the Library.

Mr. Wyatt: To ask the Secretary of State for Culture, Media and Sport (1) how many athletes who gained world class performance status in 1999 achieved personal best performances at the World Athletics Championships in 1999; [121040]

(2) how much money has been spent on the world class performance programme by Sport England and the UK Sports Council *(a)* since it was introduced and *(b)* per sport; [121041]

(3) which sportsmen and women have qualified for world class performance status for 1999 and 2000; and which of them have since achieved a new best performance where that can be measured. [121039]

Kate Hoey: We have contacted UK Sport to request the information required, and I will write to my hon. Friend as soon as it is available, placing copies of my letter in the Library.

TREASURY

VAT

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer how many businesses in the north-west *(a)* registered and *(b)* deregistered for VAT in each year since 1992. [119847]

Dawn Primarolo: The number of businesses in the north-west which registered and deregistered for VAT since 1992 is as follows:

Calendar year	*Registrations*	*Deregistrations*
1992	17,326	21,370
1993	16,412	20,752
1994	15,174	18,600
1995	18,699	17,154
1996	18,269	14,196
1997	20,455	15,308
1998	20,510	14,130
1999	20,094	12,818

Working Families Tax Credit

Mr. Field: To ask the Chancellor of the Exchequer if he will desegregate by income decile the number of families receiving *(a)* 0 to 10 per cent., *(b)* 11 to 20 per cent., *(c)* 21 to 30 per cent., *(d)* 31 to 40 per cent., *(e)* 41 to 50 per cent., *(f)* 51 to 60 per cent. and *(g)* 61 to 70 per cent. of child care costs through the Working Families Tax Credit. [120608]

Dawn Primarolo *[holding answer 2 May 2000]:* Insufficient data on income are provided by applicants for the Working Families Tax Credit (WFTC) to allocate them between decile groups of income as conventionally defined for such analyses. Also, household survey data available for analysis do not yet cover families receiving the tax credits, and sample numbers may in any case be too small for reliable estimates to be made in the detail requested.

Mr. Field: To ask the Chancellor of the Exchequer if in *(a)* the initial determination and *(b)* each subsequent determination of a working families tax credit claim the (i) number and (ii) age of children is checked against child benefit records. [120054]

Dawn Primarolo *[holding answer 20 April 2000]:* The number and ages of children from child benefit records can be checked by officers assessing any application for WFTC, and this is normally done if child benefit information is omitted from the WFTC application form, or if conflicting information has been supplied by the WFTC applicant.

Treasury Building

Mrs. Lawrence: To ask the Chancellor of the Exchequer what progress has been made on the refurbishment of the Treasury building. [121311]

Mr. Andrew Smith: Ministerial approval of plans for the refurbishment of the Treasury building under the private finance initiative was announced by the former Chief Secretary on 27 July 1999, *Official Report*, columns 400–01. Under the terms of the project agreement signed last year, the Treasury's private sector partner, Exchequer Partnership plc (EP), is responsible for a number of risks, including obtaining town planning and listed building consents and securing the funding to finance the works. Both conditions have now been satisfied and the deal has therefore reached financial close. Work is planned to start on site on 17 July (the date of granting vacant possession of the Park end of the building) with completion in August 2002.

The contract, which is for 37 years and one month from vacant possession, provides for the Treasury to pay an annual payment (the Unitary Payment) to EP in return for fully serviced accommodation to performance standards specified in advance. The Unitary Payment has been fixed in real terms at £14.037 million in March 1999 prices and will be uprated annually in line with the retail prices index.

TRADE AND INDUSTRY

Rover

Mr. Burden: To ask the Secretary of State for Trade and Industry if he will make a statement about the progress made by the Rover Task Force. [121344]

Mr. Byers: The Rover Task Force has published its interim report, which is available in the Libraries of the House and the Vote Office. A final report is expected to be published by the end of June.

Mr. Redwood: To ask the Secretary of State for Trade and Industry if the Government have sought EU approval for paying rescue aid to a bidder for Rover. [120826]

Mr. Byers: No requests for aid has been received in respect of a bid for Rover.

Mr. Redwood: To ask the Secretary of State for Trade and Industry whether the Regional Selective Assistance originally proposed for BMW/Rover will be available for new projects in the West Midlands to replace Longbridge employment. [120855]

Mr. Byers: When I set up the Rover Task Force on 17 March, I announced that a Government contribution of £129 million, which was originally offered to BMW in the form of Regional Selective Assistance, will now be available to support other, good quality projects in the region.

Mr. Redwood: To ask the Secretary of State for Trade and Industry (1) what assessment he has made of the level of financial backing possessed by the Tower bid for Rover; [120854]

(2) what recent estimate he has made of the extent of job losses *(a)* under the Alchemy bid, *(b)* under the Tower bid and *(c)* in the event of closure of the Rover plant at Longbridge. [120853]

Mr. Byers: The details of any successful bid for Rover, and hence the effects on employment, will not be known until agreement is finally reached with BMW.

Mr. Redwood: To ask the Secretary of State for Trade and Industry what the Government's policy is towards the *(a)* Alchemy and *(b)* Towers consortium bids for Longbridge. [120827]

Mr. Byers: The Government have consistently stated that we want to see the best possible deal for Rover workers, suppliers and dealers.

Mr. Redwood: To ask the Secretary of State for Trade and Industry what assurances the Government have received from BMW about *(a)* the future of the Rover plant at Cowley and *(b)* the timing of the sale or closure of the Longbridge plant. [120825]

Mr. Byers: The future of Longbridge is the subject of commercial negotiations at the moment. BMW has stated that the future of its operations at Cowley are secure.

Mr. Redwood: To ask the Secretary of State for Trade and Industry (1) what estimate he has made of the amount of money needed from *(a)* all sources and *(b)* public funds to continue Rover production at Longbridge; [120857]

(2) what rescue aid the Government are prepared to offer for Rover. [120858]

Mr. Byers: Commercial negotiations are still continuing over the future of Rover Group, including future production at Longbridge. No request for Government financial support has been received from any party to the negotiations.

Mr. Redwood: To ask the Secretary of State for Trade and Industry if the Towers Consortium has *(a)* applied for regional selective assistance or other Department's grants or *(b)* indicated to his Department that it will be applying. [120549]

Mr. Byers *[holding answer 2 May 2000]:* No application for Government grants or aid, or indication of a forthcoming application, has been received from the Towers Consortium.

Mr. Redwood: To ask the Secretary of State for Trade and Industry how many *(a)* meetings and *(b)* conversations he has had with (i) the principals and (ii) other representatives of (1) Alchemy Partners, (2) the Towers Consortium and (3) BMW since 31 March. [120092]

Mr. Byers: A number of meetings and conversations have taken place.

Mr. Redwood: To ask the Secretary of State for Trade and Industry if the regional selective assistance offered to BMW/Rover was intended to cover revenue losses. [120821]

Mr. Byers: No.

Select Committee Report

Mr. Bruce George: To ask the Secretary of State for Trade and Industry what recommendations made by the Trade and Industry Committee in its seventh report of 1995–96 have been *(a)* implemented and *(b)* are in the process of being implemented. [119781]

Mrs. Liddell *[holding answer 20 April 2000]:* Of the 12 recommendations, those implemented comprise numbers 1, 2 and 11. Recommendation numbers 8 and 12 are in the process of being implemented.

BNFL

Mr. McGrady: To ask the Secretary of State for Trade and Industry what fines British Nuclear Fuels Ltd. has had to pay in each year since 1971, arising from safety and environmental breaches at Sellafield, Chapelcross, Springfields and the magnox nuclear stations. [120714]

Mrs. Liddell: The fines paid by BNFL for safety and environmental breaches since 1971 are as follows:

Year/prosecution	*Fine (£)*
1978	
Fatal accident, Chapelcross	200
1980	
Accident to Radiographer, Sellafield	500
1983	
Overladen motor vehicle, Springfields	200
1983	
Beach discharge incident, Sellafield	10,000
1989	
Site transfers of fuel without functioning instrumentation package and alarm system, Sellafield	1,000
1990	
Accident resulting in injury to contractor, Chapenhurst	1,500
1990	
Discharge of trade effluent into Black Beck, Sellafield	800
1990	
Discharge of trade effluent into River Calder, Sellafield	1,200
1991	
Disposal of radioactive waste from HMS Inskip, Springfields	7,500
1992	
Breach of Site Licence Condition (Unauthorised Override Incident), Sellafield	6,000
1994	
Breach of Site Licence condition (Internal Flask Movement), Sellafield	15,000
1996	
Radiological contamination of contractor, Sellafield	25,000
1997	
Non-radiological (Pipe Bridge) incident, Sellafield	20,000
1997	
Caustic Soda release into Calder River, Sellafield	32,500
1998	
Solvent release to trade drain to River Ribble, Springfields	20,000
2000	
Failing to take proper care when working with asbestos—Oldbury	5,000

Note:
Chapelcross and Calder Hall magnox power stations have always been owned by BNFL and all their prosecutions are included. Prosecutions for the other magnox stations are only shown after 30 January 1998 when Magnox Electric plc (originally part of CEGB) was integrated into BNFL.

Respiratory Diseases (Compensation)

Mr. Alasdair Morgan: To ask the Secretary of State for Trade and Industry if he will list the locations of the medical assessment centres in Scotland being used for conducting *(a)* spirometry and *(b)* other tests required in connection with the payment of compensation for respiratory diseases. [120793]

Mrs. Liddell: Spirometry testing has been conducted at four centres in Scotland, in Edinburgh, Glasgow, Lochore (Fife) and Drongan (Ayr). In addition to the 4,080 spirometry assessment carried out at centres, the Department has also assessed 346 claimants in their homes.

The centres at Edinburgh, Glasgow and Lochore have now been fully adapted for the more detailed medical requirements of the main Medical Assessment Process (MAP), along with a new centre in Ayr itself. The future needs for additional MAP centres will be kept under review.

Mr. Alasdair Morgan: To ask the Secretary of State for Trade and Industry what the annual costs were of the medical assessment centres in Scotland used to provide medical tests to compensation claimants suffering respiratory diseases in each of the last three years. [120794]

Mrs. Liddell: In March last year, the DTI awarded the contract to carry out the national programme of spirometry to Healthcall Services Limited. To date DTI have paid Healthcall £155,090 in fees to test claimants in Scotland.

Enterprise Fund

Mr. Redwood: To ask the Secretary of State for Trade and Industry (1) what payments have been made in 1999–2000 under the Enterprise Fund announced in the 1998 White Paper; [121007]

(2) for what reason total provision for the Enterprise Fund given on page 198 of Cm 4611 differs from estimated outturn given on page 41. [121006]

Mr. Byers: The net estimated outturn for the Enterprise Fund in 1999–2000 (£48.5 million on page 41 of Cm. 4611) is consistent with the figures shown on page 198 (£57.88 million) which are gross, and from which must be deducted the figures for the Small Firms Loan Guarantee Scheme Premium Receipts and Recoveries shown on page 199 (£9.38 million).

Total actual payments in 1999–2000 under the Enterprise Fund, updated since the publication of the estimates in the Expenditure Plan Report, were £38.62 million (gross).

Ford

Mr. Redwood: To ask the Secretary of State for Trade and Industry what was the output of cars at Ford's Dagenham plant in the last 12 months. [120996]

Mr. Byers: In 1999 the Dagenham plant produced 190,977 vehicles.

Mr. Redwood: To ask the Secretary of State for Trade and Industry if he has received a grant application from Ford for its Dagenham plant. [120815]

Mr. Byers: No.

Mr. Redwood: To ask the Secretary of State for Trade and Industry (1) what estimate he has made of potential job losses at Dagenham if Ford ceased car manufacture there; [120822]

(2) what his policy is on proposals to take over car manufacture at Dagenham; [120994]

(3) what discussions he has had with Ford about the ending of car making at its Dagenham plant; [120816]

(4) what recent discussions he has had with Ford concerning competitiveness in car manufacturing in *(a)* Germany and *(b)* the UK. [120995]

Mr. Byers: I and my officials maintain regular and close contacts with Ford on a whole range of issues.

Ford is currently undertaking a review on the whole of their European operations. The outcome of the review is not known and no announcements are expected until after the review has been completed. Any comment at this stage on possible implications for any of Ford's UK operations would therefore be premature and counterproductive.

Mr. Redwood: To ask the Secretary of State for Trade and Industry what plans he has *(a)* to aid and *(b)* make grants to Dagenham in the event of car manufacture ceasing there. [120824]

Mr. Byers: Ford is currently undertaking a review on the whole of its European operations. The outcome of the review is not known and no announcements are expected until after the review has been completed. Any comment at this stage on possible implications for any of Ford's UK operations would therefore be premature and counterproductive.

Motor Distribution

Mr. Redwood: To ask the Secretary of State for Trade and Industry what discussions he *(a)* has had in the last two months and *(b)* plans in the next three months with the EU over the block exemption of motor distribution from the competition regime. [120811]

Mr. Byers: My officials have discussed the issues raised by the cars block exemption with their counterparts in the Commission's Competition Directorate on several occasions in the past two months. They intend to remain in close contact with the European Commission in the coming months on this issue. I have also raised the matter personally with Commissioner Monti and will continue to do so.

Mr. Redwood: To ask the Secretary of State for Trade and Industry when he plans to announce the changes required in motor car distribution following the Competition Commission report. [120814]

Mr. Byers: I announced my proposals on 10 April when I published the Competition Commission report on the supply of new cars.

Coal Industry

Mr. Redwood: To ask the Secretary of State for Trade and Industry under which programmes he plans to pay grant to the coal industry in the next two years. [120817]

Mr. Byers: As this is a new scheme, a separate programme will be established.

Mr. Redwood: To ask the Secretary of State for Trade and Industry when he plans to discuss grants to the coal industry with the EU. [120818]

Mr. Byers: Discussions have already taken place and will continue.

Mr. Redwood: To ask the Secretary of State for Trade and Industry when he will announce the amount of grant that is available for the coal industry over the next two years; and what factors will determine the level of grant to be paid. [120819]

Mr. Byers: I refer the right hon. Member to my statement to the House on 17 April 2000, *Official Report*, column 697.

Regional Selective Assistance

Mr. Redwood: To ask the Secretary of State for Trade and Industry for what reason the planned expenditure on regional selective assistance for 2000–01 given on page 62 of Cm 4611 differs from total provision given on page 201. [121002]

Mr. Byers: The total gross provision for regional selective assistance in 2000–01 given on page 201 of Cm 4611 (£125.25 million) includes provision for the Enterprise Grant scheme. The figures on page 62 have been separated into individual lines on the Enterprise Grant scheme (£9.0 million) and the main Regional Selective Assistance programme (£116.3 million).

Mr. Redwood: To ask the Secretary of State for Trade and Industry (1) how much of the difference between total provision of, and estimated outturn spending on, regional selective assistance in 1999–2000 results from the delay in agreeing a legal regional selective assistance map; [121003]

(2) for what reason the estimated outturn spending on regional selective assistance given on page 62 of Cm 4611 differs from the total provision given on page 201. [121001]

Mr. Byers: I refer the right hon. Gentleman to footnote (a) on page 62 of Cm 4611 which states that the difference resulted from a number of large projects failing to reach their trigger points for grant because of slower than expected progress.

Mr. Redwood: To ask the Secretary of State for Trade and Industry how many of the offers of regional selective assistance cited on page 59 of Cm 4611 have been delayed by the absence of a legal regional selective assistance map. [121005]

Mr. Byers: None.

Nuclear Industry

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry what recent estimate he has made of the cost of returning unused plutonium MOX fuel from Japan; which Government Departments are responsible

for making arrangements for such a return; and what storage facilities exist at *(a)* Sellafield and *(b)* other UK nuclear facilities to store such fuel. [120254]

Mrs. Liddell: A decision on the future of the MOX fuel in Japan remains to be agreed with the Japanese Government.

Electricity Generation

Mr. Stunell: To ask the Secretary of State for Trade and Industry what estimate he has made of the impact on carbon emissions of the Restricted Consents Policy for new gas-fired electricity generation *(a)* for the last two years, and *(b)* for the next two years. [119677]

Mrs. Liddell: No such calculations have been made.

Our White Paper, "Conclusions of The Review of Energy Sources for Power Generation and Government response to fourth and fifth Reports of the Trade and Industry Committee", Cm 4071, stated that it was not possible to quantify the impact of the new energy framework on emissions. This is because the aim of the policy is not to achieve any particular outcome in terms of fuel mix in generation, but to create a level playing field so that all forms of generation can compete equally and as a temporary precautionary measure to ensure the artificial encouragement for new gas plant that has arisen from distortions to the electricity market does not artificially undermine security and diversity of supply.

I announced on Monday 17 April that I would be lifting the stricter consents policy in October 2000 as soon as the new electricity trading arrangements were in place. The Government are determined to meet the UK commitment to reduce greenhouse gas emissions to 12.5 per cent. below 1990 levels in 2008–12. The stricter consents policy and the timetable for its lifting are entirely consistent with meeting that target, and with moving towards our goal of reducing carbon dioxide emissions by 20 per cent. on 1990 levels.

Assisted Areas (North-East)

Mr. Cousins: To ask the Secretary of State for Trade and Industry if he will state *(a)* the resident unemployment and *(b)* the number of existing manufacturing jobs in each of the electoral wards of the North-East Region which were (i) included in and (ii) excluded from the European-aid approved map in recent changes. [120206]

Mr. Caborn: The information on resident unemployment counts has been placed in the Library of the House. Due to commercial confidentiality the majority of the information on manufacturing jobs is not available at individual ward level. Where such information is available, it has been incorporated within the tables on unemployment.

Trading Losses

Mr. Redwood: To ask the Secretary of State for Trade and Industry what is the policy of *(a)* the EU and *(b)* the United Kingdom Government towards paying grant for trading losses by manufacturing businesses. [120860]

Mr. Byers: Any grants paid by the EU Governments to manufacturing companies must fall within the EU State aid rules, which are detailed in Volume 2a of "Competition Law in the European Community", a copy of which is in the Library of the House.

TRW/Lucas Varity Filtronics

Mr. Redwood: To ask the Secretary of State for Trade and Industry if the grants to TRW/Lucas Varity Filtronics, mentioned on page 59 of Cm 4611, have been delayed in payment. [121004]

Mr. Byers: There have been no delays in making payment.

NORTHERN IRELAND

Omagh Bombing (Police Investigation)

Mr. Donaldson: To ask the Secretary of State for Northern Ireland how many RUC detectives are engaged in the investigation into the deaths of 29 people in Omagh on 15 August 1998. [114716]

Mr. Ingram: The number of officers actively engaged in this investigation has varied at different times to meet the needs of inquiries. All appropriate resources have been made available throughout the investigation. I am advised that there are currently 20 detective officers working full-time on the inquiry team.

Mr. William Ross: To ask the Secretary of State for Northern Ireland what has been the cost to the latest available date of the RUC investigations into the Omagh Bomb. [114894]

Mr. Ingram: This information is not readily available and could be obtained only at a disproportionate cost.

Websites

Mr. Maclennan: To ask the Secretary of State for Northern Ireland what his Department's policy is on *(a)* advertising and *(b)* acknowledging company sponsorship on the websites of his Department, agencies and non-departmental public bodies; which companies (i) have placed advertisements and (ii) are acknowledged as sponsors on those websites; how much revenue has been received for each financial year since 1997 from such advertisements and sponsorship; and if that revenue has been retained within the budget of his Department, agencies and non-departmental public bodies. [119555]

Mr. Ingram: The Northern Ireland Civil Service policy on web advertising and sponsorship has not yet been published but will follow the line which has been developed by the Central Information Unit in the Cabinet Office which is as follows:

> Government sites are permitted to carry advertising. In designing pages, departments and agencies should ensure that advertisers' branding does not detract from the effectiveness and appearance of their own branding or that of the government as a whole. Particular attention should be given to avoid any implication of endorsement of products or services or of contradiction between government messages and those of advertisers.

Only two Northern Ireland departmental websites carry the logos of companies. The Roads Service traffic camera site contains the logo of Peregrine Associates; and the

Greenmount Agricultural College web page carries logos of the Northern Bank Group, Richardsons Fertilizers, Thompsons and United Dairy Farmers.

No revenue was, or is being, received from the inclusion of these logos.

Harland and Woolf

Mr. McNamara: To ask the Secretary of State for Northern Ireland on how many occasions Ministers in his Department have met *(a)* representatives of trade unions at Harland and Woolf shipyard, *(b)* officials of the Department of Economic Development and *(c)* lay members representing the trade unions at Harland and Woolf to discuss the future of the shipyard; when the last such meeting was held; and what future meetings are planned. [120497]

Mr. Ingram: Since October 1999 Ministers, including those in the Northern Ireland Executive, have had three main meetings with representatives of trade unions at Harland and Woolf and a series of meetings with Departmental officials to discuss matters in relation to the shipyard.

The most recent Ministerial meeting with trade unions was on 23 March 2000. Ministers receive written briefings from officials on at least a weekly basis and meetings with officials will take place as required. Future meetings with trade unions and officials will take place as necessary.

Investment and Finance Working Group

Mr. Beggs: To ask the Secretary of State for Northern Ireland on what date the report of the Investment and Finance Cross Sector Working Group was placed on the Strategy 2010 web site; on what dates *(a)* the summary of that report and *(b)* the report of the Inward Investment sub-group were removed; and for what reason the latter document was removed. [120587]

Mr. Ingram: The report of the Investment and Finance Working Group, which includes an executive summary, was placed on the website in November 1999.

The Inward Investment report was an interim discussion document produced by the Exports and Marketing Working Group. It was replaced by the Group's final report in November 1999.

FOREIGN AND COMMONWEALTH AFFAIRS

Ireland

Dr. Godman: To ask the Secretary of State for Foreign and Commonwealth Affairs what was the sale price of the Ambassador's residence in Sandycove, Dublin; what was the purchase price of the house in Rathfarnham, Dublin, which is to be used as the Ambassador's residence; and if he will make a statement. [119326]

Mr. Battle *[holding answer 20 April 2000]:* I refer my hon. Friend to the answer given by my late right hon. Friend, Derek Fatchett, the then Minister of State, Foreign and Commonwealth Office, on 14 January 1999, *Official Report,* column 254W, in respect of the Glencairn estate in Dublin. It is not our policy to reveal details of price and other terms agreed in such transactions. I will write to my hon. Friend shortly about this matter.

Entry Clearance (Lima)

Dr. Lynne Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs how many applications for *(a)* visitors' visas, *(b)* student entry clearance and *(c)* settlement have been made at the British Embassy in Lima in each of the last three years; and what proportion of each has been successful. [120744]

Mr. Vaz: The number of non-settlement visa applications for 1997, 1998 and 1999 were as follows:

Year	*Received*	*Issued*	*Refused*
1997	3,347	3,257	90
1998	3,839	3,680	159
1999	3,581	3,567	189

These figures include the following number of student applications:

Year	*Received*	*Issued*	*Refused*
Student			
1997	235	213	22
1998	266	219	47
1999	299	248	48
Settlement			
1997	40	39	1
1998	45	43	2
1999	61	59	1

The 1997 and 1998 figures are available in the Library of the House in the publications "Entry Clearance Global Statistics". The 1999 figures will be placed in the Library soon.

Dr. Lynne Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs how many staff are employed at the British Embassy in Lima to deal with applications for entry clearance. [120743]

Mr. Vaz: The entry clearance section of the British Embassy in Peru is staffed by five officers of whom two are UK-based and three locally engaged. One officer is devoted full-time to entry clearance work; the remainder share entry clearance duties with other responsibilities.

British Overseas Territory Citizenship Bill

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish the British Overseas Territory Citizenship Bill in draft. [120731]

Mr. Battle *[holding answer 2 May 2000]:* Officials are continuing to work on the principles to be addressed in the Overseas Territories Bill, which will include the grant of British citizenship to British Dependent Territories citizens. We are considering the options for its publication. Our priority is to introduce the Bill into the House as soon as Parliamentary time becomes available.

Iraq

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will meet Hans von Sponeck to discuss the effect of sanctions on Iraq. [120861]

Mr. Hain: No. Our priority is to improve the humanitarian situation by getting the best out of the "oil for food" programme while we work to get Iraq to move towards the suspension and eventual lifting of sanctions. To that end we maintain a close dialogue at all levels with the UN officials presently responsible for running the "oil for food" programme. I myself discussed the humanitarian situation and the "oil for food" programme with the Head of the Office of the Iraq programme (Mr. von Sponeck's former superior), Mr. Benon Sevan, in New York on 25 April. I see no need for a dialogue with Mr. von Sponeck, who has made his views quite clear and who is no longer involved in the practical efforts to improve the humanitarian situation.

Japan

Mr. Edwards: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the visit of the Prime Minister of Japan to Britain on 3 May. [121066]

Mr. Battle: The Japanese Prime Minister visited the United Kingdom as part of a tour of G8 countries. He had useful discussions with my right hon. Friend the Prime Minister on priorities for this year's G8 Summit in Okinawa.

Iran

Ms Moran: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will exert pressure on the Iranian Government to respect the human rights of Iranian Jews, Baha'is and Christians. [121193]

Mr. Hain: We and our EU partners have regularly raised with the Iranian authorities our concerns over a number of human rights issues, including treatment of religious minorities in Iran. While concerns remain we will continue to raise these issues.

Peru

Mr. Robertson: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Government of Peru regarding the persecution of Christians in that country; and if he will make a statement. [121008]

Mr. Battle: The Peruvian Constitution provides for freedom of religion, and the Government respect this. We have received no reports of religious persecution.

India

Mr. Spring: To ask the Secretary of State for Foreign and Commonwealth Affairs what trade deals he was able to facilitate on his visit to India. [120552]

Mr. Caborn: I have been asked to reply.

During his visit to India in January, my right hon. Friend the Secretary of State for Trade and Industry witnessed the signature of two partnership agreements with Indian companies involving two enterprising British firms, Gemini Dataloggers of Chichester and Antech International of Suffolk. These partnerships were fostered under Enterprise Initiative: India, a new British Trade International trade development scheme offering help and support to UK companies seeking business in key India States. He set a target of the creation of 200 such partnerships. He also supported several UK companies in their pursuit of project business, and set a target for a 20 per cent. increase in bilateral trade.

AGRICULTURE, FISHERIES AND FOOD

Calf Processing Aid Scheme

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if he will estimate the cost of extending the Calf Processing Aid scheme beyond 1 August 1999 to the latest possible date allowed under European Union rules. [120601]

Mr. Nick Brown: The estimated cost of continuing to run the scheme until 31 December 1999 would have been about £24 million.

Food Supplements

Mr. Fearn: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the responses of European Union member states to the consultation exercise undertaken by the European Commission in connection with the forthcoming Directive on Food Supplements; and what assessment he has made of such responses in terms of their *(a)* consistency with and *(b)* opposition to United Kingdom policy and practice. [115796]

Ms Stuart: I have been asked to reply.

Member states' responses to the Commission's discussion paper on dietary supplements have not been published. Our view is that consumers should be allowed the greatest possible amount of choice consistent with adequate health protection, but there is limited support for this position from other member states. Most believe that controls on supplements should be based on the premise that the dose supplied should be restricted to a level close to that needed to ensure an adequate intake of nutrients.

The Food Standards Agency has recently circulated a preliminary draft text of the Directive on Food Supplements to interested parties for information. A formal consultation and parliamentary scrutiny will be initiated when a formal proposal has been adopted by the Commission.

Rural Developments Plan

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if the explanatory booklet, pursuant to his Oral statement of 7 December 1999, *Official Report*, column 706, concerning the England Rural Development Plan has been published. [120639]

Mr. Nick Brown: Yes.

Council Tax (Uninhabitable Properties)

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the cost to farmers of the decision that uninhabitable properties will be liable for council tax. [120576]

Mr. Nick Brown: My Department is not in a position to estimate the cost to farmers of the decision to place a 12 month limit on the exemption from council tax where

unoccupied dwellings need major repair works to render them habitable or are undergoing structural alteration. Local authorities are responsible for administering the council tax and only they could identify the owners of such homes in their areas.

Landbased Sector

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if he will list the level of funding provided by the Government for the National Training Organisation for the Landbased Sector in each of the last three years, the current year and each of the next three years. [120568]

Mr. Nick Brown: MAFF Funding for Lantra, the National Training Organisation for the landbased sector is as follows:

Funding £000

Type of funding	*1997–98*	*1998–99*	*1999–2000*	*2000–01*	*2001–02*	*2002–03*	*2003–04*
MAFF Contract	1,021	455	356	300	300	300	[1]—
Sector Challenge	487	884	441	128	0	0	0
Agriculture Development Scheme (Benchmarking)	0	0	0	100	0	0	0
Action Plan for Farming Package	0	0	0	1,800[2]	0	0	0
Total Aid	1,508	1,339	797	2,328	300	300	0

[1] The current MAFF contract runs until 31 March 2003. No decisions have been taken on an extension beyond that date.
[2] Includes £600,000 from the support announced for hill farmers.

Lantra also receives funding from other Government Departments including the Department for Education and Employment, and from the Qualifications and Curriculum Authority, the devolved administrations and the European Commission.

Krebs Trials

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if the delay in the implementation of the Krebs trials has resulted in a reduction in projected Government expenditure on the trials. [120602]

Mr. Nick Brown: No. The expenditure will be incurred over a longer period.

Dairy Sector

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if the agrimonetary compensation in the dairy sector will be paid to the lessee where quota is leased. [120600]

Mr. Nick Brown: Yes.

Waste Directives

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the cost to British farmers of implementing *(a)* the Nitrates Directive and *(b)* the Waste Framework Directive. [120561]

Mr. Nick Brown: The Regulatory Appraisal, published when the Action Programme for Nitrate Vulnerable Zones (England and Wales) Regulations 1998 were laid before Parliament, gave an estimated total annual cost of £4.4 million and an estimated total capital cost of £7.5 million for implementing the Action Programme measures in the existing 68 zones in England and Wales.

The Department of the Environment, Transport and the Regions has lead responsibility for the Waste Framework Directive.

Agricultural Development Scheme

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if he will list the level of funding from the Government Agricultural Development Scheme and its successor schemes in each of the last three years, the current year and in each of the next three years. [120564]

Mr. Nick Brown: MAFF Funding for Lantra, the National Training Organisation for the landbased sector is as follows:

Funding £000

	Type of funding				
Year	*MAFF contract*	*Sector challenge*	*Agriculture development scheme*[1]	*Action plan for farming package*	*Total aid*
1997–98	1,021	487	0	0	1,508
1998–99	455	884	0	0	1,339
1999–2000	356	441	0	0	797
2000–01	300	128	100	1,800[2]	2,328
2001–02	300	0	0	0	300
2002–03	300	0	0	0	300
2003–04	[3]—	0	0	0	0

[1] (Benchmarking)
[2] Includes £600,000 from the support announced for hill farmers.
[3] The current MAFF contract runs until 31 March 2003. No decisions have bene taken on an extension beyond that date.

Lantra also receives funding from other Government Departments including the Department for Education and Employment, and from the Qualifications and Curriculum Authority, the devolved administrations and the European Commission.

BSE

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if he will list the level of UK Government expenditure on BSE eradication measures in each of the last three years, the current year and the next three years. [120570]

Mr. Nick Brown: The main measure in place in the UK to eradicate BSE is the ban on the feeding of mammalian meat and bone meal to farmed ruminants. This is enforced by a survey of feed mills and other premises which hold animal feed, and testing of the samples for the presence of mammalian protein. The cost of the tests carried out since the survey began in August

1996 amounts to some £4 million. The cost of the collection and submission of the samples to the laboratory could not be obtained except at disproportionate cost.

The cost of compensation for the slaughter of BSE suspects, and the transport and disposal of their carcases and other associated costs are shown in the table.

£

	BSE Compensation	*Transport and disposal and other costs*
1997–98	3,084,159	1,427,787
1998–99	1,964,095	1,461,743
1999–2000[1]	1,264,153	[2]1,850,000

[1] Estimate
[2] This item incudes some expenditure on scrapie which cannot be separated from BSE expenditure.

The cost of compensation and disposal in the current and future years will depend on market prices and the numbers of BSE suspects reported.

Mrs. Fiona Jones: To ask the Minister of Agriculture, Fisheries and Food what representations he has received expressing concern about the way in which the cull of BSE-offspring cattle is being conducted. [119754]

Ms Quin: During the operation of the cull, 8,241 offspring have been slaughtered with a further 178 awaiting slaughter. We have received 120 letters on the cull. The majority of these have expressed concern over the level of compensation offered, while a small number have queried the basis of the cull.

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food what is his policy on making available material from beef carcases for the purpose of research into BSE. [120700]

Ms Quin: The Veterinary Laboratories Agency (VLA) holds an archive of material from BSE-infected cattle. Scientists may apply directly to the TSE Office at VLA to request samples of these tissues for use in research. Applications are approved by the TSE Research and Surveillance Unit in MAFF on the basis of the supplies available and the merit of the research. Scientists also need to show that they have the containment facilities available to perform the research and any necessary Home Office or import licences. Where sufficient supplies exist, reasonable requests will be granted and the tissues will be released once funding for the research is secured.

Farm Waste Grant Scheme

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food what proportion of the budget allocated to the Farm Waste Grant Scheme was taken up in each year of its operation; and what his policy is on the use of underspend. [120571]

Mr. Nick Brown: Since the Farm Waste Grant Scheme came into operation in April 1996, the proportion of the budget taken up each year has been:

	Percentage
1996–97	2
1997–98	13
1998–99	17
1999–2000	8

Surplus funds are reallocated to other areas of expenditure in the Department according to priorities.

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if he will list the level of funding for the Farm Waste Grant Scheme in each of the last three years, the current year and each of the next three years. [120562]

Mr. Nick Brown: The level of funding available for the Farm Waste Grant Scheme in each of the years concerned is as follows:

	£ million
1997–98	0.8
1998–99	0.8
1999–2000	0.8
2000–01	0.8
2001–02	4.5
2002–03	4.5
2003–04	4.5

Regional Development Agencies

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food what the level of regional development agencies' spending on agricultural programmes is in *(a)* the current financial year and *(b)* the next financial year. [120574]

Mr. Nick Brown: Nil.

Stress (Rural Areas)

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food what the level of Government funding for voluntary bodies dealing with stress among people living in rural areas was in each of the last three years and in the current year; and what plans he has to increase this level of support in the next year. [120578]

Mr. Nick Brown: The Department of Health has provided funding totalling £90,000 for the Rural Stress Information Network (RSIN) and a further £118,860 for a 'Rural Minds' project between 1997–98 and this year. An official from my Department has been seconded to the RSIN for the last two years.

We will extend the RSIN secondment for at least a further year. In addition, we will provide £0.5 million this year to support organisations which help alleviate rural stress.

European Centre for Organic Fruit and Nursery Stock

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food (1) how much funding for the European Centre for Organic Fruit and Nursery Stock is paid for out of his Department's research and development budget; [120581]

(2) if he will make a statement on the role of the European Centre for Organic Fruit and Nursery Stock; [120579]

(3) if he will publish the budget for the European Centre for Organic Fruit and Nursery Stock for each of the next three years. [120580]

Mr. Nick Brown: I announced the creation of the Centre on 30 March this year following a successful bid by Horticulture Research International to the Capital Modernisation Fund.

The European Centre for Organic Fruit and Nursery Stock to be set up by HRI will be a unique centre of excellence whose primary aim will be the development of a deeper scientific basis for organics and to disseminate that knowledge effectively across the organic sector, from growers through to consumers. The Centre will offer a wide range of economic, educational, environmental and efficiency benefits and will contribute further to the Government's support for the horticulture sector.

The CMF grant totals £2.261 million for 2000–01 and 2001–02. It is being provided from central funds. HRI will be establishing budgets in due course.

R&D Budget

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if he will publish the budget for his Department's research and development in each of *(a)* the last three and *(b)* the next three years. [120582]

Mr. Nick Brown: The R&D budgets for 1997–98, 1998–99 and 1999–2000 were £140.5 million, £139.8 million and £139.3 million respectively. Our planned spend in 2000–01 and 2001–02 is £118 million and £120.9 million, reflecting the transfer of some £21 million to the Food Standards Agency, on 1 April 2000, to cover R&D on food science matters now within their responsibilities. These figures include a proportion of the Department's grant aid to Kew, research initiated by the Department's Economics Division, and the costs of administering the research budget. The budget for 2002–03 is subject to the Government's current spending review.

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food how much funding for knowledge transfer is provided from his Department's research budgets in each of the last three years; and how much will be provided in the current year and each of the next three years. [120569]

Mr. Nick Brown: There are no separate budgets. However, knowledge transfer is an integral part of the role played by R&D carried out by MAFF both to inform and underpin policy-making and the Department's regulatory responsibilities; and to assist the farming, food and fisheries industries in accordance with MAFF's aim and objectives.

IPPC Charges

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the cost of the proposed level of IPPC charges to farmers in *(a)* the United Kingdom and *(b)* each of the other member states of the European Union. [120583]

Mr. Nick Brown: As part of the Government's Action Plan for Farming it was confirmed that, subject to agreement with the industry on a system of general binding rules, the Environment Agency's interim and longer-term charge for an IPPC permit in England and Wales should be less than half the £12,000-£18,000 originally proposed. IPPC charges in Scotland are devolved and are therefore a matter for Scottish Ministers. Arrangements for Northern Ireland are still being considered. Our inquiries indicate that many other member states will be passing on costs for IPPC to intensive livestock installations, although some have yet to decide how to implement IPPC and what charges will be made. The Environment Agency is currently undertaking a fuller study of the position which will inform the development of a longer-term charging scheme in England and Wales.

Hill Farm Support Payments

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the cost to hill farmers of complying with the new conditions being attached to hill farm support payments. [120558]

Mr. Nick Brown: The only new condition we propose attaching to less favoured area support payments is compliance with certain standards of Good Farming Practice. Responsible farmers should not incur any additional costs.

Diversification

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food how much the free consultancy service to be made available to farmers seeking approval from the planning authorities for a diversification project under the England Rural Development Plan will cost; and how it will be funded. [120560]

Mr. Nick Brown: The details of this service are still being developed together with those of the Rural Enterprise Scheme.

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food how planning advice for existing diversification schemes is *(a)* provided to farmers and *(b)* funded. [120572]

Mr. Nick Brown: There are no farm diversification schemes currently open to applicants.

Pig Farmers

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food what financial aid the Government have provided for pig farmers in each of the last three years. [120599]

Mr. Nick Brown: The CAP pigmeat regime contains no provision for paying subsidies direct to pig farmers. However, in addition to the restructuring scheme announced as part of the Action Plan for Farming, the Government have helped and are continuing to help the pig industry in many ways. For example:

Pig industry projects benefited significantly from the Agriculture Development Scheme 1999, being awarded over 35 per cent. of the total grants made.

£3 million of marketing/promotional money was earmarked exclusively for the pig sector. Discussions with the industry have resulted in the Government agreeing to part fund a £4.6 million industry led welfare linked promotion campaign.

The interpretation of the Food Labelling Regulations 1996 in respect of origin marking has been tightened up. New guidelines have been issued to Trading Standard Authorities and to the industry.

A "verification officer" has been appointed; part of whose remit is to work with industry bodies to identify cases where product is being sold at retail or catering level which misleads the consumer into believing it contains pork of British origin when in fact it is imported. The verification officer's role also includes checking progress on the commitment given some time ago by major

retailers that all their own label fresh pork and certain processed products such as bacon would come from stall and tether and MBM free production systems.

The date for implementing IPPC for established pig farms has been put back to 2007.

Hill Livestock Compensation Allowance

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food what plans the Government have to reduce funding for hill livestock compensation allowance payments and its successor schemes after 2000–01. [120557]

Mr. Nick Brown: The funding for the new Hill Farm Allowance Scheme will be determined in the context of the current Spending Review.

GM Crops

Joan Ruddock: To ask the Minister of Agriculture, Fisheries and Food if he will place a copy of the specification for the BRIGHT research project, carried out by NIAB and funded by his Department, together with any interim results in the Library. [120718]

Ms Quin: BRIGHT is a LINK project in the MAFF-sponsored Sustainable Arable Production through Precision Input Optimisation (SAPPIO) Programme. It is being conducted by a consortium of industry and academic partners grant aided by UK Government Departments. This consortium is responsible for publicity and has publicised the scientific approaches, objectives and progress of the research. The publicity programme includes articles in the MAFF-produced Agri-LINK Newsletter. The research is being conducted by the Institute for Arable Crops Research, the National Institute for Agricultural Botany, and the Scottish Agricultural College.

Joan Ruddock: To ask the Minister of Agriculture, Fisheries and Food what research has been undertaken by the Pesticides Safety Directorate into the impact of herbicides on genetically modified herbicide tolerant crops; and if he will publish the results. [120344]

Ms Quin: The Pesticides Safety Directorate (PSD) co-ordinates a research programme which supports the risk assessments carried out during the approval process and investigates ways of minimising pesticide use. This includes work on human health and environmental consequences of herbicide use.

The Government also support a number of projects on GMHT crops. In particular, the BRIGHT project, part funded by industry, includes work on the impact of herbicides on GMHT crops. This project started in April 1999 and is due to last for four years. The results will be published.

Companies have to provide detailed scientific safety data before the Government will consider approving the use of a given herbicide on a given GMHT crop.

Fishing (European Structural Funds)

Mr. Andrew George: To ask the Minister of Agriculture, Fisheries and Food in what ways the fishing industry can be assisted by means of Objective 2 grants with *(a)* land-based infrastructure, improvement and renovation schemes, *(b)* vessel equipment, *(c)* fish processing and marketing and *(d)* other support. [119429]

Mr. Morley: Objective 2 plans, which include funding under the European Regional Development Fund (ERDF), have yet to be finalised and agreed with the European Commission. ERDF funding could cover fishing port infrastructure.

Funding under the Financial Instrument for Fisheries Guidance (FIFG) would be available across the country and is not dependent on Objective 2 status. Plans for FIFG funding have yet to be finalised and agreed with the European Commission. Under the FIFG regulation, this could cover projects under (a), (b) and (c).

Other support, such as funding for training fishermen, could be available from the European Social Fund, both within and outside Objective 2 areas.

Mr. Andrew George: To ask the Minister of Agriculture, Fisheries and Food what *(a)* rules and *(b)* guidance he has set for fishing industry grant applicants for Objective 1 funds. [119342]

Mr. Morley: The European Commission has yet to agree the Single Programming Document for the Cornwall and Scilly Isles Objective 1 area, including the proposed priorities and measures funded through the Financial Instrument for Fisheries Guidance. Rules and guidance for applicants will be finalised following Commission approval and consistent with the relevant European regulations.

Irish Sea Cod Recovery Programme

Dr. Godman: To ask the Minister of Agriculture, Fisheries and Food which United Kingdom fisherman's associations and other bodies are involved in the Irish Sea Cod Recovery Programme; which other maritime states are represented; and if he will make a statement. [118692]

Mr. Morley: The Fisheries Departments in the UK have been in close consultation with the UK fishing industry and other interests both directly and through the Irish Sea Panel of the Fisheries Conservation Group about the development of the Irish Sea Cod Recovery Programme. The organisations consulted include:

National Federation of Fishermen's Organisations
Scottish Fishermen's Federation
Anglo-North Irish Fish Producers' Organisation
Northern Ireland Fish Producers' Organisation
United Kingdom Association of Fish Producers' Organisations
Fleetwood Fish Producers' Organisation
Fleetwood Fish Forum
Associated British Ports
Sea Fish Industry Authority
Association of Sea Fisheries Committees
Cumbria Sea Fisheries Committee
North Western and North Wales Sea Fisheries Committee
Department of Agriculture, Fisheries and Forestry of the Isle of Man
Fleetwood and Barrow in Furness Inshore Fishermen.

Representatives of the UK fishing industry, together with officials and scientists from the Fisheries Departments have attended two regional consultative meetings with the Commission in Brussels. The other countries which have cod quota in the Irish Sea—Belgium, France, the Netherlands and the Republic of Ireland—have also been involved in the development of the Recovery Plan.

I welcome this close involvement of fishermen in the preparation of regional measures for stock conservation and recovery.

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food what compensation he proposes to offer to British and Irish beamers to stop fishing in the Irish Sea. [119237]

Mr. Morley: None. UK beamers volunteered to stay out of the area of the Irish Sea which was closed to protect spawning cod. I am grateful to them for the responsible lead they took in furthering an important conservation objective and to the Irish Government, with whom we co-operate closely on many fisheries issues of common interest, for agreeing to keep their beam trawlers out of the closed area between 13 March and 1 May.

Climate Change Levy

Mr. Welsh: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the impact of the climate change levy on the fish-processing sector; what compliance costs the sector will face; what assistance will be offered to this sector; and what derogations are *(a)* in place and *(b)* under negotiation. [120245]

Ms Quin: The impact of the climate change levy on a sector or an individual firm will depend upon future energy use, employment trends and take up of the incentives to improve energy efficiency.

Compliance costs relating to the administration of the scheme will fall mainly on the energy suppliers. More information is contained in the Regulatory Impact Assessment prepared by Customs and Excise.

As the fish processing industry falls within the scope of the Integrated Pollution Prevention Control Directive, it can participate in the energy agreement to receive an 80 per cent. levy discount if agreed energy efficiency targets are met, which is being negotiated with the Food and Drink Federation.

Mr. Welsh: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the impact of the climate change levy on each sector of the agriculture industry. [120278]

Ms Quin: The Government have sought to design the climate change levy in a way that maximises its environmental effectiveness while taking account of the competitiveness of UK firms. The impact of the climate change levy on individual sectors of the agricultural industry will depend, among other things, on each sector's future energy use, employment trends and take-up of the various incentives offered under the levy to improve energy efficiency. Further, reductions in the rate of levy are available to the energy-intensive sectors of pigs and poultry in return for reaching agreed energy targets and, subject to approval under state aid rules, a 50 per cent. reduction to horticulture.

Veterinary Inspectors

Mr. Prosser: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to monitor whether local veterinary inspectors in other EU member states who inspect live farm animals prior to export are adhering to the revised procedures for sheep and pigs destined for fattening, production and slaughter which came into effect on 31 May 1999. [119132]

Mr. Morley: The procedures which the Government introduced on 31 May were a national measure to ensure that the inspections of these animals prior to their export are carried out to the highest possible standards. They were not introduced in other EU member states, who set their own standards.

Regulation of Investigatory Powers Bill

Mr. Cohen: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on his policy in respect of the use his Department, its agencies and public bodies will make of the powers relating to the authorised obtaining of communications data in Part I, Chapter II of the Regulation of Investigatory Powers Bill once the Bill is enacted. [119516]

Mr. Morley: I refer my hon. Friend to the reply given by my right hon. Friend the Home Secretary on 19 April 2000, *Official Report*, column 509W.

Regional Service Centres

Mr. Luff: To ask the Minister of Agriculture, Fisheries and Food if, following the publication of his Department's annual report, with particular reference to paragraph 1.7, he will reject the findings of the recent study that recommended the closure of Regional Service Centres. [119763]

Mr. Morley: My right hon. Friend is still considering the future of the Regional Service Centres following the recent review of CAP scheme administration, and in light of the recent reports from the Performance and Innovation Unit which recommend closer alignment of MAFF's regional policy activities, including its regional representational role and information activity, with the Government Offices for the Regions. The further development and strengthening of MAFF's working partnership with the GOs, the Regional Development Agencies and other regional players, and the taking forward of plans for integrating MAFF's regional rural development activity with the GO structure, are identified in the Departmental Report as key challenges for 2000–01.

Modulation (Devolved Assemblies)

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food how decisions made in the National Assembly for Wales, Northern Ireland Assembly and the Scottish Parliament affect his policy on modulation. [118578]

Ms Quin: Under the terms of EU Council Regulation 1259/99, modulation has to be applied consistently throughout a member state. It is therefore incumbent upon all parts of the United Kingdom to agree an approach to this, and that is what we are doing.

With Government's commitment fully to match-fund farmers' contributions up to the levels set out in the England Rural Development Plan, modulation provides the means for securing substantial extra resources for Rural Development.

Minimum Wage

Mr. Salmond: To ask the Minister of Agriculture, Fisheries and Food if he will estimate the annual cost to his Department, in terms of salary payments, which would result from an increase of the minimum wage for all age groups to *(a)* £4, *(b)* £4.20 and *(c)* £4.50 per hour. [120246]

Mr. Morley: Staff in my Department and its Agencies are salaried and are not paid by the hour. However, for the purposes of this question I am able to calculate salary levels based on normal full-time working hours of 36 per week in London or 37 hours elsewhere.

No staff in my Department are paid at salary levels less than or equivalent to £4.00 or £4.20 per hour. If the minimum wage for all staff was increased to a salary level equivalent to £4.50 per hour the annual cost to my Department would be £51,464.

SOCIAL SECURITY

Child Support Agency

Mr. Field: To ask the Secretary of State for Social Security how many CSA inspectors are in post and operating in the Lancashire and Merseyside region. [120863]

Mr. Rooker: The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my right hon. Friend.

Letter from Mrs. Faith Boardman to Mr. Frank Field, dated 5 May 2000:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about the Child Support Agency.

At present, three members of Agency staff in the Lancashire and Merseyside regions carry out inspectoral duties, which include investigating the earnings of the self-employed and company directors and conducting interviews under caution. However the Wales and North West Business Unit plan to train an additional 25 officers to undertake inspectoral visits, of whom seven will operate in the Lancashire and Merseyside regions.

Under current legislation child support inspectors are appointed on a case by case basis which means that they must be given a time-limited certificate of appointment for each individual case. As a result, CSA Inspectors have not, to date, been used to their best effect. This rigid and cumbersome method of appointment has prevented the Agency from building up a team of dedicated and experienced inspectors.

However, the Agency has increased the number of locally based face to face officers to 600, a process that was completed at the end of March this year. The Agency is currently considering whether some, or all, of the face to face officers should also perform the role of child support inspectors or whether separate dedicated teams of inspectors would be more effective. Under the child support reforms it is planned to appoint permanent inspectors.

I hope this is helpful.

Mr. Field: To ask the Secretary of State for Social Security, pursuant to his answer of 19 April 2000, *Official Report*, column 551W, if he will list the IT procurement contracts agreed with EDS since 1 May 1997 with a value over £10,000; when each contract was agreed; when the IT provision began to be installed; and if each IT system is *(a)* fully operational and *(b)* in use. [120922]

Mr. Rooker: The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my right hon. Friend.

Letter from Mrs. Faith Boardman to Mr. Frank Field, dated 5 May 2000:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about the Child Support Agency.

No specific IT Procurement contracts have been awarded to EDS since 1/5/97. However, the Department's private sector partner Affinity (prime contractor EDS) was awarded an early contract in March 1999, to provide products key to the future development of modernised IT for the Department.

In addition, to maintain progress against legislative timescales for Child Support Reforms, an interim contract for early IT pre-development and preparation work was let to Affinity 23/12/99, to deliver products which pave the way for new IT for the CSA. In both cases, neither the contracts nor their products were intended to deliver an operational IT system.

The Department does not hold an existing contract with EDS, awarded in 1995, for the provision of some mainframe-based IT and associated services.

A number of consultancy contracts are also held with EDS to help determine the Department's business and financial requirements relevant to the delivery of the full IT systems, under the main contracts.

The award of all contracts has been subject to the Department's formal procurement controls to ensure fair and open competition.

I hope this is helpful.

Occupational Pensions

Mr. Portillo: To ask the Secretary of State for Social Security what has been the percentage change in the value of UK pension funds since May 1997. [120993]

Mr. Rooker: Information is not available from May 1997 as data is collected on an annual basis. The percentage increase in the value of UK pension funds between December 1996 and December 1997 (the most recent figure available), above is 17 per cent.

Note:

The amount of money set aside to meet pensions liabilities is a proxy for the amount of money held in pensions.

Source:

ONS estimates based partly on "DTI returns".

Mr. Portillo: To ask the Secretary of State for Social Security how many new occupational pension schemes were set up in *(a)* 1979 to 1996, *(b)* 1997, *(c)* 1998 and *(d)* 1999. [121018]

Mr. Rooker: The information is in the table.

Number of new occupational pension schemes which registered with the Pension Schemes Registry

Period	*Number*
1979 to 1996	159,054
1997	6,133
1998	4,939
1999	3,170

Note:

Pension schemes have to register with the Pension Schemes Registry when they have two or more members and have applied for, or received, tax approval from the Inland Revenue

Winter Fuel Payments

Mr. Willetts: To ask the Secretary of State for Social Security if he will list the total costs for *(a)* each of the past two years, *(b)* the current year and *(c)* projected

for each of the next two years, broken down into administrative and non-administrative costs and including the cost of the telephone helplines. [121043]

Mr. Rooker: The information is in the table.

Administration and non-administration cost for the winter fuel payment scheme

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Year	Non-administration costs	Administration costs
1997–98	200 million	13.7 million
1998–99	200 million	13.1 million
1999–2000	760 million	14.3 million
2000–01	1.4 billion[1]	Not yet available[2]
2001–02	1.2 billion[1]	Not yet available[2]

[1] Includes the cost of making backdated payments as a result of changes to the eligibility rules.
[2] Projected figures are not available for these years as the process details are not yet finalised.

Minimum Income Guarantee

Mr. Field: To ask the Secretary of State for Social Security, pursuant to his answer of 19 April 2000, *Official Report*, column 551W, how many pensioners are excluded from the minimum income guarantee because of income from an occupational pension. [120921]

Mr. Rooker: An estimated 1,120,000 cases would qualify for the minimum income guarantee if their occupational pension were completely disregarded.

Fraud

Mr. Field: To ask the Secretary of State for Social Security if the Government have fulfilled their commitment in paragraph 3.18 of the White Paper, "Safeguarding Social Security", to ensure that data are correct on 1.8 million payroll items; how many anomalies *(a)* were found, *(b)* were passed to fraud investigators, *(c)* resulted in prosecution and *(d)* resulted in conviction; and of the anomalies, how many arose from cases where people were simultaneously working and claiming. [120859]

Mr. Rooker: During 1999–2000, 626,641 payroll records were checked. 288,924 anomalies were found, of which 251,201 were name and address changes. 6,223 cases were referred to fraud for investigation because of possible fraud. Of these, 5,943 involved suspicions that people might be claiming benefit without declaring their earnings. As of 31 March 2000, fraud has been proved in 683 of these cases and there have been 114 prosecutions leading to a conviction. We do not know how many prosecutions were unsuccessful in this area.

The National Insurance Contributions Office has a target to check 3 million payroll records in 2000–01.

Postgraduate Maintenance

Mr. Webb: To ask the Secretary of State for Social Security what arrangements exist to provide income maintenance for persons who are forced to suspend a course of postgraduate education because of illness. [118911]

Mr. Wicks: I have been asked to reply.

Responsibility for postgraduate awards is shared with the Arts and Humanities Research Board or one of the six Research Councils, depending on the field of study. Each Research Council is an independent body, free, within the terms of its Charter and the resources available to it, to make its own decisions about expenditure on postgraduate support.

Support for postgraduate teacher training is generally provided by my Department under the Student Support Regulations. Maintenance support is in the form of a student loan. Support is payable for absence from a course due to illness for up to 60 days, and for longer periods at the discretion of the relevant local education authority, which will take into account financial hardship.

The Department provides support to 50 postgraduate students at three European Institutions, the Bologna Center, the College of Europe and the European University Institute and provides continuing support for the first 60 days of illness. Thereafter each case is considered by my Department on its own merits.

In relation to Research Council students, where a student becomes sick during their studies, arrangements vary depending on the awarding body and the nature of the course. The Economic and Social Research Council, for example, allows a student's grant to continue unaffected for the first eight weeks of sickness. The Medical Research Council continue to pay the grant at the full rate for the first 21 days of sickness and at half rate for the next 28 days and would then suspend payment.

Separate, broadly similar arrangements apply in Northern Ireland. In Scotland, the system of support for postgraduates largely follows that for undergraduates and, in the main, continues to be paid during periods of illness.

Additional assistance for postgraduate students studying in the UK who are absent from their course due to illness may be available through the Access Funds. These allow universities and colleges to provide extra discretionary support for students in particular need; and a total of £76.4 million has been made available in England for the 1999–2000 academic year.

Full-time students who interrupt their studies because of illness and have been incapable of work for 28 weeks may be eligible for income support. Details of benefits are a matter for my right hon. Friend the Secretary of State for Social Security.

Written Answers to Questions

Monday 8 May 2000

FOREIGN AND COMMONWEALTH AFFAIRS

Congo (Zimbabwean Forces)

Mr. Blunt: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received of the deployment of Zimbabwean forces in protecting mining interests in the Congo; and who owns those interests. [120868]

Mr. Hain: We have seen reports that the Zimbabwean Defence Forces are deployed in areas of the Democratic Republic of the Congo (DRC) which contain the main diamond fields and reserves of copper and cobalt. We understand that exploitation of diamonds is principally carried out by the Societe Miniere de Bakwanga (MIBA), and production of copper and cobalt by GECAMINES. Both of these companies are substantially DRC state-owned, but there are reports that they have entered into joint venture with various partners. There are also reports that the Zimbabwean Defence Force has set up a company called OSLEG Private Limited, which includes capital provided by private investors, to exploit DRC's mineral reserves.

Zimbabwe

Mr. Brady: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his oral statement of 3 May 2000, *Official Report*, columns 149–50, if he will list the dates of his meetings with the previous Secretary-General of the Commonwealth to discuss the crisis in Zimbabwe. [121202]

Mr. Hain: Neither my right hon. Friend the Foreign Secretary nor I spoke to the previous Commonwealth Secretary General following the onset of the recent wave of illegal farm occupations in Zimbabwe.

Iran

Mr. Clappison: To ask the Secretary of State for Foreign and Commonwealth Affairs what communication he has had with the Iranian Foreign Minister regarding the timing of his visit to Iran; and if he raised the issue of legal proceedings concerning members of the Jewish community in Shiraz in the course of that communication. [121213]

Mr. Hain: The Iranian authorities are well aware of our concerns about the trial of 13 members of the Jewish community on espionage charges in Shiraz. The Foreign Secretary made these clear to Dr. Kharrazi personally when he visited London in January. We and our EU partners have raised our concerns on many occasions, most recently in the form of a demarche by the EU Presidency in Tehran on 29 April. As the hon. Gentleman will be aware, the Foreign Secretary's visit to Tehran has been postponed from 8/9 May to 4/5 July. The Foreign Secretary spoke briefly to Iranian Foreign Minister Kharrazi on 29 April in order to postpone this visit.

Mr. Clappison: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 17 April 2000, *Official Report*, columns 396–97W, what assessment he has made of recent developments in the legal proceedings concerning members of the Jewish community in Shiraz, Iran, with particular reference to the case of Hamid Tefilin; what representations have been made to the Government of Iran about the decision to hold the trial in camera and about the proceedings in general; what steps have been taken by the Government to monitor the trial; and if he will make a statement. [121141]

Mr. Hain: We and our EU partners have raised our concerns about the detention and trial of a number of Iranians including 13 members of the Iranian Jewish community in Shiraz on espionage charges with the Iranian authorities on a number of occasions, most recently in the form of a demarche by the EU Presidency in Tehran on 29 April.

Our Embassy in Tehran is working closely with our EU partners and other like-minded embassies to ensure that events in Shiraz are monitored closely. We are aware of reports emanating from Hamid Tefilin's defence counsel that Mr. Tefilin has confessed to being trained to spy for Israel, but that he has not carried out any espionage activity. We shall continue to monitor events closely.

Mr. Corbett: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Iranian authorities over the banning of newspapers and magazines. [121136]

Mr. Hain: We and our EU partners have been following closely events in Iran. We note that the editors of the newspapers and magazines that have been banned are avoiding public comment and urging their supporters to follow suit in an effort to maintain calm.

Sanctions (Serbia and Iraq)

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations at the UN to allow sanctions against *(a)* Serbia and *(b)* Iraq to be lifted on goods relating to bona fide scientific and technological work essential to food testing and civil manufacturing industry. [121079]

Mr. Hain: UN Security Council resolution 1160 (1998) imposed an embargo on the supply of arms and related material to the Federal Republic of Yugoslavia and a ban on arming and training for terrorist activities there. There are no other UN sanctions measures in force in relation to Serbia.

Under the current terms of the "Oil-for-Food" programme, established by Security Council resolution 986, Iraq can sell unlimited quantities of oil to buy a wide range of humanitarian goods, including the kind of equipment mentioned in the question. Iraq is expected to raise $10 billion this year from oil sales. Each contract is checked to ensure that the goods will be used for their stated purpose.

EU Enlargement

Mr. Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to "IGC: Reform for Enlargement, Cm 4595", what study has been made by *(a)* Her Majesty's Government and *(b)* the European Union of the political consequences of admission to the European Union of parts of former Yugoslavia; by whom it was made; and if its conclusions have been published. [121061]

Mr. Vaz: The Government's (and European Union's) overall objective is the fullest possible integration of the countries of the Western Balkans into the political and economic mainstream of Europe. No formal study has been made of the political consequences of admission to the European Union of parts of the former Yugoslavia.

Mr. Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to "IGC: Reform for Enlargement, Cm 4595", in relation to the adoption of the Acquis of the Community, what permanent or temporary derogations are planned to be made to any applicant state in respect of *(a)* the Common Fisheries Policy, *(b)* the Common Agricultural Policy and *(c)* participation in the Cohesion Fund. [121077]

Mr. Vaz: It is too early in the accession negotiations to predict the extent of any derogations.

Negotiations on Fisheries have started with six applicant countries (Cyprus, Czech Republic, Estonia, Hungary, Poland and Slovenia). The EU Common Positions agreed for these negotiations make clear that all new member states will be expected to apply the Common Fisheries Policy in full.

Negotiations have also started on Regional Policy with these countries. But their participation in the Cohesion Funds will not be determined until later in the negotiations.

We expect negotiations on Agriculture with these countries to begin in June this year.

Iraqi Oil Sanction Breaches

Dr. Starkey: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 2 May 2000, *Official Report*, column 67W, on Iraqi oil, if he has asked the *(a)* Council of Ministers and *(b)* European Commission to put pressure on Turkey to bring the trade in Iraqi oil across its borders into the UN humanitarian programme; what was the volume of oil in metric tonnes sold through the UN programme in (i) 1999 and (ii) 2000 to date; and what was the estimated value in (1) 1999 and (2) 2000 to date of Iraqi oil sold (x) through the UN programme and (y) in breach of sanctions. [121054]

Mr. Hain: We have discussed measures to cut down on oil smuggling including through Turkey with the other members of the Security Council which includes two fellow members of the European Union.

The estimated value of illegal oil exports in 1999 was $250 million and in 2000 to date $170 million. As I pointed out in my answer of 2 May, the UK is making every effort to reduce this illegal trade,.

UN statistics for the volume of oil sold under the "oil for food" arrangements are provided for each six month phase and in barrels. For phase V (26 November 1998 to 25 May 1999) the volume of oil sold was 360.8 million barrels worth $3.95 billion. For phase VI (25 May 1999 to 11 December 1999) the volume of oil sold was 389.6 million barrels worth $7.4 billion. Under the present phase (phase VII) the volume of oil sold up to 28 April was 244.7 million barrels worth $5.79 billion. Phase VII ends on 7 June.

TREASURY

Climate Change Levy

Mr. Portillo: To ask the Chancellor of the Exchequer what will be the net financial impact, in the first financial year of its operation, of the climate change levy on *(a)* the automotive industry, *(b)* the farming industry, *(c)* the shipbuilding industry and *(d)* manufacturing industry in the West Midlands. [120992]

Mr. Timms *[holding answer 5 May 2000]:* The Climate Change Levy package as a whole is expected to be revenue neutral for the private sector. Its introduction will entail no net financial gain for the public finances. The levy package as a whole is also expected to be broadly neutral between the manufacturing and the service sectors.

The Government have sought to design the climate change levy in a way that maximises its environmental effectiveness while protecting the competitiveness of UK firms. It is not possible to say with precision what the effects of the climate change levy on individual sectors or firms will be, since this will depend, among other things, on each sector's future energy use, employment trends, and take up of the various incentives to improve energy efficiency.

New Deal

Mr. Portillo: To ask the Chancellor of the Exchequer how much has been spent on the New Deal since 1997. [120997]

Mr. Andrew Smith *[holding answer 5 May 2000]:* Information on the estimated allocation of the Windfall Tax receipts between different programmes, including the New Deal, is set out in Table 4.1 of the Financial Statement and Budget Report, 2000.

Annex Bii of the Department for Education and Employment and the Office for Standards in Education Departmental Report 2000 provides information on expenditure on New Deal programmes within their Departmental Spending Limit.

Figure 10a of the Department of the Environment, Transport and the Regions Departmental Report 2000 provides information on expenditure on the New Deal for Communities within their Departmental Expenditure Limit.

National Savings Bonds

Mr. Robertson: To ask the Chancellor of the Exchequer what recent assessment he has made of the efficiency of the administration relating to bonds by National Savings; and if he will make a statement. [120218]

Miss Melanie Johnson *[holding answer 2 May 2000]:* National Savings (NS) takes great care to ensure the systems it uses to deliver its products are efficient and effective. This is essential if NS are to continue to operate successfully in the increasingly competitive retail savings sector. Ministers set annual targets for NS to measure, report on and improve the efficiency of its product administration systems. To achieve these targets NS uses a framework of performance measures, standards and reporting procedures constantly to monitor the efficiency and effectiveness of its product administration systems, including those relating to bonds. This ensures they are subject to continuous improvement and that they remain competitive.

Family Statistics

Mr. Gerald Howarth: To ask the Chancellor of the Exchequer what was the median duration of *(a)* a marriage and *(b)* a cohabiting union in (i) 1970, (ii) 1980 and (iii) 1999. [120677]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Alan Goldsmith to Mr. Gerald Howarth, dated 8 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent Question on the median duration of (a) a marriage and (b) a cohabiting union in (i) 1970, (ii) 1980 and (iii) 1999. I am replying in the Director's absence.

The only available estimates for marriages ending in divorce or death are as follows:

Estimated[1] median duration of marriages solemnised in England and Wales in:

	Years
1979–80	37
1987	27
1993–94	24

[1] Life table estimates derived from marriage and mortality registration records

Estimates of the median duration of cohabiting unions are calculated using a different method based on the separation of the couple or the death of one of the partners. The following estimates are the only ones available.

Estimated[1] median durations of cohabiting first unions[2] in Great Britain which started in:

	Years
1970–79	3
1980–84	4
1985–89	3

[1] Omnibus Survey (a sample survey)
[2] Which ended other than in marriage

Censuses

Mr. Gibb: To ask the Chancellor of the Exchequer (1) how many people were prosecuted for failure to complete the 1991 census; [121056]

(2) when the 2001 census will be *(a)* dispatched and *(b)* due for return. [121055]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Alan Goldsmith to Mr. Nick Gibb, dated 8 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent questions on the number of people prosecuted for failure to complete a 1991 Census return and when the 2001 Census form will be despatched and due for return. I am replying in the Director's absence.

The total number of people in England and Wales who were prosecuted for failure to complete a 1991 Census return was 354.

Enumerators will deliver 2001 Census forms of return, and reply-paid envelopes as necessary in advance of census day, which is 29 April 2001. The Census forms should be returned on the day after census day or as soon as possible thereafter. Follow-up enquiries will be undertaken if a form has not been received by 8 May 2001.

The Census Regulations, which provide for the detailed arrangements for the conduct of the census, are shortly to be laid before Parliament.

Holocaust Victims (Compensation)

Mrs. Lawrence: To ask the Chancellor of the Exchequer what will be the tax treatment of moneys paid out by UK banks under the British Bankers Association Restore UK initiative in respect of bank accounts opened by Holocaust victims, frozen during World War II under the Trading With the Enemy Act and subsequently held as dormant accounts. [121457]

Dawn Primarolo: The Government very much support the British Bankers Association "Restore UK" initiative.

It is right that people who were Holocaust victims, or their beneficiaries, who have moneys restored to them under this scheme, should receive not only the original capital but some form of compensation.

I am glad to announce that no tax will be payable on any moneys paid out by the banks under this initiative to Holocaust victims or their beneficiaries. This exemption will cover income tax liability on any compensation payments as well as any death duties in respect of the capital held in the accounts.

DEFENCE

Army Criminal Legal Aid Authority

Mr. Tony Lloyd: To ask the Secretary of State for Defence if he will make a statement on delays in the payment of bills due under the Army Criminal Legal Aid Authority. [120136]

Mr. Spellar *[holding answer 2 May 2000]:* The Army Criminal Legal Aid Authority (ACLAA) was set up in 1996 to administer the provision of legal aid for individuals facing court-martial or other defined legal processes. The role of ACLAA is to receive applications

for legal aid, define the individual contribution required, make an offer of legal aid on that basis, negotiate acceptance with the employing unit and individual, instruct legal representatives, and finally to review and settle bills for work done.

In December last year the Officer in Charge became ill which led to some reordering of work while his situation clarified. Sadly it has become clear that it will not be possible for him to return to ACLAA. In addition another experienced member of staff also became ill in January, and has not been able to return either.

While new staff were being recruited it was necessary to give priority to the allocation of legal aid to individuals to ensure that the legal process was not disrupted or delayed. Regrettably this meant that ACLAA was not able to assess and clear bills until the arrival of additional staff. Over the last month ACLAA staff have been working hard to deal with the backlog of bills that were awaiting payment and many have now been settled.

Any delay in payment is regrettable. However, ACLAA is currently being expanded and strengthened which should ensure that similar delays, caused by unforeseen circumstances, do not recur.

Service Personnel (Divorce)

Mr. Quentin Davies: To ask the Secretary of State for Defence if he will list the divorce rates for serving military personnel in *(a)* the Army, *(b)* the Royal Navy and *(c)* the Royal Air Force for the last 12 month period for which figures are available. [120408]

Mr. Spellar *[holding answer 3 May 2000]:* Due to the manner in which each Service records data on changes in marital status, it is not possible to provide information in the precise manner requested. Notwithstanding, the rates for 1998–99 by Service are as follows:

	Number/percentage
Army divorce rates 1998–99	
Married strength at 1 April	57,744
Divorced (Decree Absolute and Annulments)	1,135
Proportion of married personnel Divorced	2.0%
Royal Navy—Widow, Divorce and Separation Rates 1998–99	
Married Strength at 1 April	22,417
Widowed, Divorced or Separated	850
Proportion of married personnel Widowed, Divorced or Separated	3.8%
Royal Air Force—Divorce and Separation Rates 1998–99	
Married Strength at 1 April	22,417
Divorced	10
Separated	1,172
Proportion of married personnel Divorced or Separated	3.4%

Note:
The Royal Navy figures include widows/widowers

Figures provided by the Office for National Statistics (ONS) for the married population between the ages of 20 and 34, which is broadly comparable with the average age of married Service personnel, indicate an annual divorce rate of approximately 3 per cent. The figures above show that the divorce rates in the Services on a comparable age group basis are no worse than those for society as a whole, especially as the RN and RAF figures include separation as well as divorce.

Eurocorps and EUROFOR

Mr. Redwood: To ask the Secretary of State for Defence how many troops from *(a)* the UK and *(b)* other EU countries are committed to (i) Eurocorps and (ii) EUROFOR. [120820]

Mr. Hoon *[holding answer 5 May 2000]:* The UK has no troops committed to either the 5-nation (France, Germany, Belgium, Luxembourg and Spain) EUROCORPS or the 4-nation (France, Italy, Portugal and Spain) EUROFOR as a matter of course, though we have one Liaison Officer attached to HQ EUROCORPS.

Numbers of troops contributed to the forces in question by other countries are a matter for the countries concerned.

British Beef

Mr. Gerald Howarth: To ask the Secretary of State for Defence what is his Department's policy regarding the supply of British beef for consumption by members of Her Majesty's armed forces. [121073]

Dr. Moonie: The supply of food for the armed forces has been contracted out to "3663" and we require them to seek the best price in the open market, consistent with meeting our quality standard. I am as keen, however, on seeing our servicemen and women eating British products as I am for our contractor to secure best value for money. In the case of British beef, since autumn of 1998 we have been supplying 100 per cent. British beef to our armed forces personnel based in the United Kingdom. Supplies for armed forces personnel based overseas are currently sourced from a number of countries.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Health and Safety Executive

Mr. Bennett: To ask the Secretary of State for the Environment, Transport and the Regions what proportion of oral and written complaints made by members of the public were fully investigated by inspectors of health and safety in field offices of the Field Operations Division in fiscal year 1999–2000. [118410]

Mr. Meacher: The information requested can not be produced at this time, because full year data on inspectors' work for the year ended 31 March 2000 are not yet available. However, data on the number of complaints followed-up by staff in HSE's Field Operations Directorate for the years 1997–98 and 1998–99 are set out in the table. The table also shows, for information, the number of complaints investigated as a percentage of those received.

Complaints followed-up by HSE's Field Operations Directorate by route of complaint

	1997–98	*1998–99*
Telephone	18,020	18,686
Letter	2,655	3,042
Oral (other)	322	276
Complaints followed up as a percentage of complaints received	72.6	76.7

Helen Jones: To ask the Secretary of State for the Environment, Transport and the Regions what was the average number of businesses dealt with by band 3 inspectors in the Health and Safety Executive in the last 12 months for which figures are available. [120390]

Mr. Meacher *[holding answer 2 May 2000]:* Health and Safety Executive (HSE) Band 3 inspectors are used in the majority of sectors for which HSE has enforcement responsibility. Inspector contacts with businesses can vary considerably, depending on the sector and circumstances. Inspectors may contact the same business more than once during the course of the year, or may contact several operating sites owned by the same business. Also, a contact could involve an in depth audit, taking several days, or a short visit or meeting.

In total, HSE staff made 183,000 regulatory contacts with dutyholders and businesses in 1998–99, the last year for which figures are available. Of these, about 8,000 were made by administrative staff in HSE's Field Operations Directorate (FOD), and 33,000 by FOD inspectors other than Band 3 inspectors. A proportion of the rest may have involved inspectors other than Band 3 inspectors, but these could be disaggregated from the date only at disproportionate cost.

In total, approximately 500 Band 3 inspector staff years spent by HSE Operating Directorates and Divisions in 1998–99 on inspection, investigation and enforcement activity which would have generated the vast majority of regulatory contacts.

Air Traffic Control

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions when the New En-route Centre at Swanwick will be fully operational. [120786]

Mr. Mullin: The Swanwick Centre is scheduled to come into operation by spring 2002.

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions how many overseas consultancy projects have been undertaken by National Air Traffic Services in the last three years; and where these projects were undertaken. [120789]

Mr. Mullin: In the past three years, NATS has undertaken a total of 30 consultancy projects. Projects were undertaken in, or on behalf of, the following countries: Abu Dhabi, Antigua, Australia, Bulgaria, Canada, Croatia, Eire, Finland, Hungary, Iceland, Israel, Japan, Libya, Malaysia, the Netherlands, Nigeria, Norway, Oman, Portugal, Singapore, Slovakia, South Africa, Spain, Syria, Switzerland, and the UK. In addition, NATS has participated in a number of consortiums on behalf of the European Organization for the Safety of Air Navigation (Eurocontrol).

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions how many aircraft movements there were at UK airfields without air traffic control services in the last 12 months. [120788]

Mr. Mullin: There are 142 airports licensed by the CAA. Eighty-eight do not have air traffic control services but published data on aircraft movements are available only for 11 of these. For these 11 airports, there were 100,000 movements, both commercial and non-commercial. There were a total of 3.5 million aircraft movements at all UK airports for which data are available.

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions what is the average length of time taken to train an air traffic controller; how many are in training; and how many controllers are required to staff the airfields and centres under NATS control. [120784]

Mr. Mullin: Area Control (AC) Air Traffic Control Officers (ATCOs) receive 78 weeks training at the College of Air Traffic Control at Hurn followed by between 12 and 24 months on the job training before achieving validation. Airports ATCOs receive 52 weeks training at the College also followed by between 12 and 24 months on the job training before achieving validation. NATS has a total of 255 controllers currently in training (132 AC and 123 Airports—including part valid controllers). 436 controllers are required to staff the airfields under NATS control and 1,010 to staff the centres.

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the suppliers of distress and diversion air traffic control to UK aircraft and aircraft using UK airspace. [120783]

Mr. Mullin: The Distress and Diversion (D&D) Air Traffic Control Service in the UK is provided to civil or military aircraft in distress or emergency in UK airspace. This service is supplied by RAF Air Traffic Control personnel located at the London Area and Terminal Control Centre (LATCC) and Scottish Area Control Centre (ScATCC).

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions how many air traffic controllers are needed to bring Heathrow up to full complement; and how many controllers are being trained at Swanwick. [120785]

Mr. Mullin: The total operational requirement for the Heathrow Visual Control Room and Thames Radar/SVFR is 61. There are currently 58 validated controllers. Two trainees are expected to validate within the next six to eight weeks together with one experienced ATCO undergoing retraining who is expected to regain validation within the same period. In addition, there are seven operationally valid Watch Managers at Heathrow.

The New En-Route Centre at Swanwick is scheduled to come into operation by spring 2002. Operational Conversion Training will begin in January 2001 to meet this requirement. A total of 380 Area Control ATCOs will undergo Operational Conversion Training prior to the operational date.

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those UK airports where *(a)* there is no air traffic control and *(b)* only (i) an air ground and (ii) flight information service is provided. [120787]

Mr. Mullin: The table lists UK airports where there is no air traffic control. Those with an Air/Ground service are indicated by A/G and those with a Flight Information Service, by FISO.

UK Airports	
Andrewsfield	FISO
Barra	FISO
Bembridge	FISO
Beverley	A/G
Blackbushe	FISO
Bodmin	A/G
Bourn	A/G
Brough	A/G
Caernarfon	A/G
Campbeltown	FISO
Chalgrove	A/G
Chichester Goodwood	FISO
Clacton-on-Sea	A/G
Compton Abbas	A/G
Cumbernauld	FISO
Denham	FISO
Derby	A/G
Dunkeswell	A/G
Duxford	FISO
Eaglescott	A/G
Earls Colne	A/G
Eday	A/G
Elmsett	A/G
Elstree	FISO
Enniskillen St. Angelo	FISO
Fair Isle	A/G
Fairoaks	FISO
Fenland	FISO
Fife	A/G
Fowlmere	A/G
Full Sutton	A/G
Glasgow Helipad SECC	A/G
Halfpenny Green	FISO
Haverfordwest	A/G
Hucknall	A/G
Inverness	FISO
Islay Port Ellen	FISO
Lashenden Headcorn	A/G
Leicester	A/G
Little Gransden	A/G
Lydd	FISO
Manchester Barton	FISO
Netherthorpe	A/G
Newtownards	A/G
North Ronaldsay	A/G
Northampton Sywell	FISO
Nottingham	A/G
Old Buckenham	A/G
Old Sarum	A/G
Oxford Kidlington	FISO
Panshanger	A/G
Papa Westray	A/G
Penzance Heliport	A/G
Perth	A/G
Perranporth	A/G
Peterborough/Conington	A/G
Redhill	FISO
Rendcomb	A/G
Retford Gamston	A/G
Rochester	FISO
Sanday	A/G
Sandown Isle of Wight	A/G
Sandtoft	A/G
Seething	A/G
Sheffield City	A/G
Sherburn-in-Elmet	A/G
Shipdham	FISO
Shobdon	FISO
Sibson Peterborough	A/G
Silverstone Heliport	A/G
Sleap	A/G
Stapleford	FISO
Stronsay	A/G
Sturgate	A/G
Tatenhill	A/G
Thruxton	A/G
Tingwall	A/G
Tiree	FISO
Tresco Heliport	A/G
Truro	A/G
Turweston	A/G
Unst	FISO
Wellesbourne Mountford	FISO
Welshpool	A/G
Westray	A/G
Whalsey	A/G
White Waltham	FISO
Wickenby	A/G

Social Services (Devon)

Mr. Steen: To ask the Secretary of State for the Environment, Transport and the Regions what increase was allocated by his Department for social service provision in Devon County Council's standard spending assessment for 2000–01. [120090]

Ms Beverley Hughes *[holding answer 2 May 2000]:* The personal social services standard spending assessment for 2000–01 for Devon County Council increased by £5,326,769, or 5.2 per cent., compared with the previous year.

PFI Projects

Mr. Dobbin: To ask the Secretary of State for the Environment, Transport and the Regions what progress has been made with PFI projects in local government; and if he will list those projects endorsed so far. [120844]

Ms Beverley Hughes: A total of 126 projects across the country have been endorsed from 86 local authorities. Of these, 38 have reached contract signature and another 88 are rapidly progressing towards that stage. These projects are already bringing real improvements to the quality of life in local communities. A full list of the schemes endorsed is as follows. The list is updated regularly and is available on the DETR website http://www.local.detr.gov.uk/pfi.

Department of the Environment, Transport and the Regions

Depot and Vehicle Services
- Islington—signed
- Lambeth—signed

Information Communication
- Chelmsford: "Chelmsford Direct"

Information Technology
- Croydon: "Delivering Customer Focus"
- Daventry
- Derby—signed
- Harrow—signed
- Kent—signed
- Norwich: "Connect" electronic network

Housing
- Camden: HRA Pathfinder, modernisation of tower blocks
- Derby: social housing
- Islington: HRA Pathfinder, refurbishment and modernisation of mainly Victorian street properties
- Leeds: HRA Pathfinder, Swarcliffe Estate
- Manchester: HRA Pathfinder, Plymouth Grove/Stockport Road Estate
- Manchester: energy services—signed
- Newham: HRA Pathfinder, Canning Town
- North East Derbyshire: HRA Pathfinder, South East Coalfield Area
- North East Derbyshire: social housing—signed
- Reading: HRA Pathfinder, North Whitley
- Sandwell: HRA Pathfinder, Wednesbury South
- Tower Hamlets: energy services—signed

Leisure
- Sefton: Crosby leisure centre
- Uttlesford: "Sports and Leisure Facilities" two new sports and leisure centres

Property
- Bournemouth: library
- Brighton: library
- Copeland: office rationalisation
- Hackney: technology learning centre—signed
- Norfolk: salt barns—signed
- North Wiltshire: property rationalisation—signed
- Redcar and Cleveland: office accommodation
- Sheffield: "Heart of the City" offices—signed
- Shrewsbury and Atcham: office rationalisation
- Trafford: Sale new civic centre office accommodation

Transport and Street Lighting
- Brent: street lighting—signed
- Doncaster: bus station—signed
- Essex: A130 road—signed
- Nottinghamshire: Nottingham Express Transit light rail scheme—signed
- Staffordshire: street lighting
- Walsall: street lighting

Waste Management
- East London Waste Authority
- East Sussex and Brighton and Hove Waste Partnership
- Hereford, Worcester—signed
- Isle of Wight—signed
- Kirklees—signed
- South Gloucestershire
- Surrey—signed

Department for Education and Employment

Individual schools
- Brent: relocation of Jews Free School
- Dorset: Colfox School replacement secondary school—signed
- Enfield: new secondary school—signed
- Essex: new secondary school
- Hillingdon: new secondary school—signed
- Kingston upon Hull: Victoria Dock, new primary school—signed
- Kent: Swanscombe
- Lambeth: replacement secondary school as part of Project Vauxhall
- Leeds: Cardinal Heenan, replacement secondary school—signed
- Lancashire: Fleetwood High School, replacement/refurbishment
- Liverpool: Speke/Garston Partnership
- Manchester: Temple, replacement primary school
- Portsmouth: new secondary school—signed
- Redbridge: Barley Mow School, new school
- Tower Hamlets: Mulberry School, replacement secondary school
- Walsall: replacement of St. Thomas Moore secondary school
- Waltham Forest: new secondary school
- Westminster: Pimlico School, replacement secondary school

Grouped schools
- Birmingham: replacement of 10 schools
- Brent: 32 schools
- Cornwall: 36 schools joint venture
- East Riding: six schools
- East Sussex: five schools
- Haringey: 10 secondary schools
- Kirklees: 20 schools
- Leeds: seven schools
- Liverpool: 32 schools
- Newham: two new primary schools and one new secondary school
- North Yorkshire: four primary schools
- Nottinghamshire: group of six schools
- Richmond: expansion and refurbishment of two primary schools and three new primary schools
- Sandwell: five primary schools
- Sheffield: six schools
- Southampton: expansion, refurbishment and replacement of three secondary schools
- Staffordshire: two schools
- Stoke on Trent: 126 schools
- Tameside: schools rationalisation
- Torbay: two schools
- Tower Hamlets: 47 schools
- Wiltshire: three schools
- Wirral: nine schools

Other
- Dudley: 104 schools Information and Communication Technology—signed
- Lewisham: 90 schools catering—signed

Department of Health

Residential Homes
- Enfield: building and running of three new resource centres
- Greenwich: elderly persons' centres
- Harrow—signed
- Northampton: four new specialist centres for older people who are frail or with mental health needs
- Richmond
- Surrey—signed
- Westminster—signed

Other
- Dudley: multi-use facility
- Harrow: four community resource centres and four houses for people with learning disabilities and mental ill health
- Portsmouth: two day centres for people with learning difficulties
- Staffordshire: new children's home

Home Office

Police HQs
- Cheshire: relocation of HQ and training centre
- Derbyshire: Divisional HQ in Derby—signed
- Norfolk: Force HQ
- Thames Valley: Force HQ—signed

Police stations
- Cumbria: Workington
- Derbyshire: Ilkeston—signed
- Dorset: Dorchester

Other Police Schemes
- Cleveland/Durham: firearms range
- Greater Manchester Police: improve efficiency of operational policing
- Metropolitan Police: "3Ci": a new Command, Control, Communications and Information Service
- Northumbria: stables—signed
- Nottinghamshire: area traffic facility
- Sussex: new custody suites
- Wiltshire: helicopters—signed

Fire Service
Avon, Somerset and Gloucester: fire training facility
Cornwall: fire stations
Greater Manchester: Stretford, fire headquarters—signed
Lancashire: fire stations
London: fire vehicles and equipment
North Yorkshire: fire training facilities

Lord Chancellor's Department
Magistrates Courts
Avon and Somerset
Bedfordshire
Derbyshire
Hereford, Worcester
Humberside
Manchester

Road User Charging

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions if he will set national guidelines for road user charge exemptions and concessionary discounts. [121277]

Mr. Hill: We will consider issuing guidance to local authorities on road user charging exemptions and concessions in due course, to supplement those set through regulations.

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions if he will make regulations listing the classes of vehicles which will *(a)* receive discounts and *(b)* be exempt from road charging schemes. [121278]

Mr. Hill: Yes.

Rent Service Agency

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received regarding the operation of the Rent Service Agency in the last 12 months. [121204]

Mr. Mullin: We have received several representations regarding the Rent Service Agency and how rent officers perform their independent statutory functions in connection with housing benefit and registration of fair rents.

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what statutory powers are available to him in respect of the operation of the Rent Service Agency. [121205]

Mr. Mullin: The Rent Act 1977 (as amended) grants the Secretary of State power to appoint, remunerate and provide administrative support for rent officers carrying out their statutory functions. A framework document (which is deposited in the Library of the House) authorises the Chief Executive to carry out these powers.

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what discussions on rent controls he has had with the Chief Executive of the Rent Service Agency in the last 12 months. [121208]

Mr. Mullin: We have regular discussions with the Chief Executive of the Rent Service Agency at official and ministerial level about how rent officers perform their independent statutory functions in connection with housing benefit and registration of fair rents.

Rent Acts (Maximum Fair Rent) Order 1999

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions which Minister in his Department is taking lead responsibility for the proposals contained in the Rent Acts (Maximum Fair Rent) Order 1999. [121206]

Mr. Mullin: The Rent Acts (Maximum Fair Rents) Order 1999 was signed by my hon. Friend the Minister for Housing and Planning on the basis of a collective decision by Government.

Landlord and Tenant Act 1985

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what external legal advice he has sought in respect of the use of his powers under section 31 of the Landlord and Tenant Act 1985. [121207]

Mr. Mullin: The Treasury Solicitors Department has sought the best advice through the usual channels.

Sustainable Development

Mr. Derek Twigg: To ask the Secretary of State for the Environment, Transport and the Regions how many meetings have been held at the Trade Union Sustainable Development Advisory Committee since its establishment; who attended them; what subjects were discussed; and if he will make a statement. [120419]

Mr. Meacher: Since the formation of the Trades Unions Sustainable Development Advisory Committee in July 1998 there have been six meetings. I have co-chaired them with John Edmonds, General Secretary of the GMB Union. They have been attended by representatives of the Amalgamated Engineering and Electrical Union, the Engineers' and Managers' Association, GMB, the Graphical Paper and Media Union, the Institute of Professionals, Managers and Specialists, the Manufacturing Science Finance Union, the National Union of Rail, Maritime and Transport Workers, the Transport and General Workers' Union, the Trades Union Congress, the Union of Construction, Allied Trades and Technicians, UNISON and the Union of Shop, Distributive and Allied Workers. The Committee has discussed a wide range of sustainable development issues, including climate change, the employment effects of environmental policies, environmental issues in the workplace and workplace training on energy efficiency.

Montreal Protocol

Mr. Derek Twigg: To ask the Secretary of State for the Environment, Transport and the Regions what is the extent of the United Kingdom's compliance to date with the terms of the Montreal Protocol; and when he expects full compliance to be achieved. [120421]

Mr. Meacher: The United Kingdom meets its substantive obligations under the Montreal Protocol (1987) through EC Regulation. The European Community

and the UK have ratified the Protocol as well as its London (1990) and Copenhagen (1992) Amendments. In addition, they are bound by the adjustments to the Protocol adopted in London (1990), Copenhagen (1992), Vienna (1995) and Montreal (1997). The means by which the Community gives effect internally to all these obligation is EC Regulation 3093/94. Once a further EC Regulation, which is still under negotiation, enters into force later this year the Community and the UK will also be able to ratify the Montreal Amendment (1997).

Volatile Organic Compounds

Mr. Derek Twigg: To ask the Secretary of State for the Environment, Transport and the Regions what safety guidance is issued in respect of the storage or use of volatile organic compounds *(a)* in and *(b)* near NHS premises; and if he will make a statement. [120426]

Mr. Meacher: The Health and Safety Executive has issued no specific safety guidance on the storage or use of volatile organic compounds (VOC) in and near NHS premises.

The Management of Health and Safety at Work Regulations 1999 requires all employers to assess the risks to people's health and safety from the undertaking, which would include the storage or use of substances such as VOCs, and to take steps to minimise the risk.

Refrigerants

Mr. Derek Twigg: To ask the Secretary of State for the Environment, Transport and the Regions what guidance *(a)* his Department and *(b)* NHS Estates gives to health service bodies tendering for refrigeration equipment. [120418]

Mr. Meacher: The model framework for greening Government operations—which Government departments have been encouraged to adopt or adapt to meet their special circumstances—promotes environmentally preferable refrigerants having a zero or low potential for ozone depletion or global warming. I cannot answer for NHS Estates as responsibility here rests with the Secretary of State for Health. However, it is DETR's policy not to buy refrigerants containing chlorofluorocarbons (CFCs) and to avoid hydrochlorofluorocarbons (HCFCs) and other ozone-depleting substances where there are suitable alternatives. Our policy is also to favour technologies and refrigerants with little or no potential to contribute to global warming where they are safe, cost effective and practicable. Advice on environmentally preferable refrigerants is given in DETR's "Green Guide for Buyers" and other guidance which can be found on DETR's website. There are however circumstances—especially with retrofits—where currently available environmentally preferable technologies and refrigerants are not safe or are excessively costly. We are continuing to put pressure on our suppliers to develop more cost effective, safer and greener products.

Mr. Derek Twigg: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with fire safety experts about the implications of installing *(a)* hydrocarbon and *(b)* ammonia-based refrigeration as part of air conditioning systems in public places; and if he will make a statement. [120420]

Mr. Meacher: It is the responsibility of any person or company installing hydrocarbon or ammonia-based air conditioning equipment in a public place to ensure that all fire and safety issues are properly addressed. Such installations should follow the guidance set out in British Standard (BS 4434): "Specification for safety and environmental aspects in the design, construction and installation of refrigerating appliances and systems (1995)". The Health and Safety Executive were on the technical committee that drafted BS 443.

Mr. Derek Twigg: To ask the Secretary of State for the Environment, Transport and the Regions what is his policy on the storage and use of *(a)* hydrocarbons, *(b)* HFCs and *(c)* ammonia in (i) refrigeration and (ii) air conditioning systems used by health service bodies. [120423]

Mr. Meacher: The Management of Heath and Safety at Work Regulations 1999 require all employers, including health service bodies, to carry out an assessment of risks to people's health and safety form the undertaking, including the effects of hazardous substances. This would include an assessment of the risks from hydrocarbons, HFCs and ammonia used in refrigeration and air conditioning systems.

Mr. Derek Twigg: To ask the Secretary of State for the Environment, Transport and the Regions what is his estimate of the quantity of *(a)* HFC, *(b)* HCFC, *(c)* ammonia, *(d)* hydrocarbons and *(e)* CFCs in use in the UK in (i) refrigeration, (ii) air conditioning, (iii) aerosols, (iv) metered dose inhalers and (v) other applications. [R] [120429]

Mr. Meacher: The most recent estimates available are given in the table. Data on the use of ammonia and hydrocarbons in the air conditioning and refrigeration sectors are not available; however, their use is relatively minor. In addition, the majority of aerosols manufactured in the UK are filled with hydrocarbons, but data on the amounts used are not available.

	Refrigeration	*Air conditioning*	*Aerosols*	*Metered dose inhalers*	*Other applications*
HFCs	7,685	3,766	1,020	121	23 (foam)
HCFCs	13,500	4,000	0	0	Not known
Ammonia	Not known	Not known	0	0	Not known
Hydrocarbons	Not known	Not known	Not known	0	Not known
CFCs	6,150	2,050	0	2,483	Not known

Note:

Figures shown in metric tonnes

SOCIAL SECURITY

Unclaimed Benefits

Mr. Gordon Prentice: To ask the Secretary of State for Social Security what is the total value by benefit of unclaimed benefits for the latest 12 months for which figures are available. [119851]

Angela Eagle: The latest estimates were published in a Departmental press release dated 24 September 1999. I have placed a copy in the Library.

My right hon. Friend the Secretary of State has also recently launched a substantial national take-up campaign for the Minimum Income Guarantee. The campaign will include;

a national TV advertising campaign;

writing to over two million pensioners whom Departmental records suggest are most likely to be entitled to the minimum income guarantee; and

a new free telephone claim service for people to claim without having to leave their homes.

State Pension

Dr. George Turner: To ask the Secretary of State for Social Security what estimate he has made of the net cost after taxation of an increase in the basic State Pension of *(a)* £5 per week at age 75 and *(b)* £10 per week at age 80 years. [120548]

Mr. Rooker: The information is in the table.

Estimate of the net cost after taxation of an increase in the basic State Pension of £5 per week at age 75 and £10 per week at age 80 years

£ billion

	£5 increase at 75–79, £10 increase at 80
Gross cost	1.7
Net cost after income-related benefits offset	1.15
Net cost after income-related benefits offset and taxation	1

Notes:

1. All costs are in £ billion, rounded to the nearest £50 million, and are for 2000–01.
2. Other benefits, whose rates are linked to the basic State Pension, are not included.
3. Gross costs estimated by the Government Actuary's Department.
4. Income-related benefits offsets estimated by Analytical Services Division, Department of Social Security.
5. Income tax receipts estimated by the Inland Revenue.

Occupational Pensions

Mrs. Lait: To ask the Secretary of State for Social Security how many pensioners in receipt of *(a)* income-related benefits, *(b)* National Insurance-related benefits and *(c)* in total receive income from an occupational pension. [120360]

Mr. Rooker: The information is not available in the format requested. Such information as is available is in the table.

Pensioner benefit units in receipt of occupational pension income Great Britain, 1997–98

Occupational pension income recipients also in receipt of:	*Pensioner benefit units in receipt*
Income related benefits	910,000
National Insurance related benefits	4,060,000
All with occupational pension income	4,090,000

Notes:

1. Estimates are rounded to the nearest 10,000 benefit units, although they are not necessarily accurate to that degree.
2. Pensioner benefit units are defined as single (non-cohabiting) people over State pension age (men 65 and over, women 60 and over) and couples (married or cohabiting) where the man is over State pension age.
3. Income-related benefits include Income Support, Family Credit, Housing Benefit, Council Tax Benefit and Social Fund Grants.
4. National Insurance-related benefits include State Retirement Pension, Widows' Benefits and Incapacity Benefit.
5. Estimates of benefit income are based on survey respondents' identification of different elements of benefit income, and are therefore subject to misreporting. For example, some respondents may not be able to differentiate between State Retirement Pension and Income Support since both benefits are received in a single payment.
6. Estimates of the number of pensioner benefit units in receipt of occupational pension are based on survey respondents' own assessment and may be subject to under-reporting.

Source:

Family Resources Survey 1997–98

Parental Leave

Ms Harman: To ask the Secretary of State for Social Security how many people have claimed Income Support during parental leave in the last 12 months. [120350]

Mr. Bayley: The new Income Support rules on parental leave came into effect on 5 January 2000. Early indications from a number of offices are that only a handful of claims have been received so far.

Benefit Payments

Mrs. Curtis-Thomas: To ask the Secretary of State for Social Security how many people chose to have child benefit and pensions paid by automatic transfer into bank accounts in each year since 1992. [120803]

Mr. Rooker: The information is in the table.

Number of customers in receipt of child benefit and pensions choosing payment into a bank account since 1992.

Year[1]	*Number of child benefit customers choosing ACT*	*Number of retirement pension and widows pension customers choosing ACT*[2]
1992	1,505,425	2,392,292
1993	1,594,600	3,043,118
1994	1,741,875	3,315,930
1995	1,880,650	3,543,713
1996	2,063,150	3,854,419
1997	2,241,275	4,014,874

Number of customers in receipt of child benefit and pensions[1] choosing payment into a bank account since 1992.

Year[2]	*Number of child benefit customers choosing ACT*	*Number of retirement pension and widows pension customers choosing ACT*[3]
1998	2,436,900	4,272,662
1999	2,620,075	4,554,997

[1] "Pensions" has been interpreted as referring to retirement (RP) and widows (WP) pension, for which details are only available as a combined number.
[2] Date as at November of each year.
[3] These figures exclude pensioners who are entitled to Income Support and receive a combined payment, and include customers resident overseas.

Mr. Webb: To ask the Secretary of State for Social Security if he will list, for each of the main social security benefits, how many people in each of the last 12 months have contacted his Department and its agencies requesting that their benefit payment be switched to a post office from payment into a bank account. [120987]

Mr. Rooker: The Department does not routinely collate the information requested.

However, as the overall trend on all benefits is an increase in payment into a bank account, it is unlikely that a significant number of customers are changing from payment into a bank account to payment at the post office.

Correspondence

Mr. Winnick: To ask the Secretary of State for Social Security when the hon. Member for Walsall, North will receive a reply to his letter of 7 March to the Chief Executive of the Benefits Agency regarding a constituent (Ref. E24618). [121260]

Angela Eagle: A reply was issued to my hon. Friend on 4 May 2000.

Mr. Gale: To ask the Secretary of State for Social Security when he will respond to the letter from the hon. Member for North Thanet dated 11 April concerning non-payment of widows' payment to Mrs. Corrina Smith and similar cases. [121110]

Angela Eagle: A reply was issued today.

Child Benefit

Mr. Matthew Taylor: To ask the Secretary of State for Social Security if he will make a statement on the distribution of Child Benefit expenditure according to *(a)* the gross income bands, *(b)* the equivalised gross income bands and *(c)* the equivalised net income bands of recipient families using (i) each band of £5,000 up to £40,000 and (ii) over £40,000. [121104]

Angela Eagle: The information is in the table.

Expenditure on Child Benefit by band of income and the number of children in each income band

	Gross income	*Equivalised gross income*	*Equivalised net income*
Less than £5,000	£90 million (0.2 million)	£200 million (0.4 million)	£290 million (0.5 million)
£5-£10,000	£970 million (1.6 million)	£1,930 million (3.4 million)	£2,530 million (4.4 million)
£10-£15,000	£1,260 million (2.1 million)	£1,550 million (2.7 million)	£2,070 million (3.6 million)
£15-£20,000	£960 million (1.7 million)	£1,230 million (2.2 million)	£1,130 million (2.0 million)
£20-£25,000	£850 million (1.5 million)	£830 million (1.5 million)	£570 million (1.0 million)
£25-£30,000	£770 million (1.4 million)	£520 million (0.9 million)	£290 million (0.5 million)
£30-£35,000	£590 million (1.0 million)	£340 million (0.6 million)	£120 million (0.2 million)
£35-£40,000	£470 million (0.9 million)	£200 million (0.4 million)	£70 million (0.1 million)
£40,000 and above	£1,250 million (2.3 million)	£410 million (0.7 million)	£140 million (0.3 million)

Expenditure on Child Benefit by band of income and the number of children in each income band

Notes:
1. Information is taken from Households Below Average income (HBAI) 1997–98 based on the Family Resources Survey 1997–98.
2. All figures are in April 1999 prices.
3. The expenditure of Child Benefit has been estimated using benefit receipt on HBAI. Therefore the expenditure in this table will not exactly match published expenditure figures.
4. The figures in parentheses are the number of children in each band of income.
5. Estimates of expenditure are rounded to the nearest £100 million. Numbers of children are rounded to the nearest 100,000.

Disability Living Allowance

Ms Julie Morgan: To ask the Secretary of State for Social Security what percentage of appeals against decisions to refuse Disability Living Allowance were successful in *(a)* Wales, *(b)* Scotland and *(c)* England in the last year for which figures are available. [120931]

Angela Eagle: The information is not available in the format requested. Such information as is available is in the table.

Figures for each of the appeals service regional offices

	Total	*In appellants favour*	*Percentage*
Great Britain	51,827	25,234	48.7
Birmingham	5,442	2,398	44.1
Cardiff	6,886	3,438	49.9
Glasgow	8,402	4,072	48.5
Leeds	4,458	2,312	51.9
Liverpool	6,759	2,991	44.3
Nottingham	7,235	3,644	50.4
Newcastle	3,965	1,901	47.9
Salford	3,914	1,688	43.1
Sutton	4,766	2,790	58.5

Notes:
1. The figures relate to all Disability Living Allowance (DLA) appeals heard between 1 January 1999 and 31 December 1999.
2. We are unable to identify the reason for the appeals against DLA decisions. The figures will include appeals for other reasons as well as refusal of benefits.

Source:
100 per cent. download from the Appeals Service database computer system.

Pensioner Incomes

Mr. Field: To ask the Secretary of State for Social Security if he will estimate how many pensioners would

benefit financially and what the average benefit would be from reducing the tariff income from capital from the present rate to £1 per week for every £500 over £6,000 for people aged over 60 years. [121274]

Mr. Bayley: The information is in the table.

The estimated number of pensioners benefiting and the average gain as a result of a reduction to the tariff income of £1 a week for every £500 over £6,000

	Total gainers (000)	*Average gain (£1s per week)*
Income Support (IS)	60	4.55
Housing Benefit (HB)	80	3.70
Council Tax Benefit (CTB)	160	1.25

Notes:
1. Cases have been rounded to the nearest 5,000 for each benefit, and prices to the nearest 5 pence.
2. This costing is carried out following the extension of the capital limits to £6,000 and £12,000 for Income Support, and £6,000 and £16,000 for Housing Benefit, and has been adjusted to caseload forecasts for 2001–02.
3. It is not possible to provide a total number of gainers overall, as there is considerable overlap. Gainers on HB and/or CTB may float on to IS, while gainers on HB may also gain CTB.

Mr. Field: To ask the Secretary of State for Social Security if he will estimate the cost of reducing the tariff income from capital from the present rate to £1 per week for every £500 over £6,000 for people aged over 60 years. [121275]

Mr. Bayley: The information is in the table.

The estimated cost of reducing the tariff income to £1 a week for every £500 over £6,000 in 2001–02

£ million

Benefit	*Total cost*
Income Support	15
Housing Benefit	15
Council Tax Benefit	10
Total	40

Notes:
1. This question has been answered using the Policy Simulation Model (PSM) for Income Related benefits, based on 1997–98 Family Resources Survey data.
2. Figures are rounded to the nearest £5 million and uprated to 2000–01 prices and benefit levels.

TRADE AND INDUSTRY

Tritium

Mr. Alasdair Morgan: To ask the Secretary of State for Trade and Industry how much Tritium has been produced at the Chapelcross nuclear facility in each month since April 1995; and what percentage of the Tritium produced by this facility has been traded to Governments and agencies outside the United Kingdom. [120750]

Mr. Hoon: I have been asked to reply.

I refer the hon. Member to the answers I gave to the hon. Member for Angus (Mr. Welsh) on 3 April 2000, *Official Report*, column 303W, and my hon. Friend the Member for Blaenau Gwent (Mr. Smith) on 3 May 2000, *Official Report*, columns 118–19W.

Export Licences

Mr. Berry: To ask the Secretary of State for Trade and Industry for what reason the 1998 Annual report on Strategic Exports does not include information about physical exports of strategic goods from the UK to the Channel Islands. [120204]

Dr. Howells: Details of the value of UK exports and of the number of weapons including small arms was taken from information collected by HM Customs and Excise for trade statistics purposes. For these, the Channel Islands are regarded as part of the UK and thus movements between the UK and the Channel Islands are not recorded.

However, the 1997 and 1998 Annual Reports on Strategic Export Controls listed by country of destination the numbers of export licences issued and refused in each equipment category and gave details of the military equipment for which licences had been granted. They also set out the value of defence exports to each country. Entries were included for the Channel Islands.

Energy Production

Sir Robert Smith: To ask the Secretary of State for Trade and Industry what percentage of Scottish energy production is from *(a)* nuclear power, *(b)* coal, *(c)* oil and *(d)* renewable sources. [120747]

Mrs. Liddell: The most recently available figures for the indigenous production of primary fuels in Scotland are for 1998. Data are, however, not available without disproportionate cost for oil (or gas) production from Scotland or Scottish waters, so it is not possible to calculate the shares of nuclear power, coal or renewables.

	Million tonnes of oil equivalent Scotland
Nuclear	4.8
Coal	5.2
Oil	[2] —
Renewables	[3]0.7–0.9

[1] Not available
[2] The Department's annual report "Development of the Oil and Gas Resources of the United Kingdom", copies of which are available in the Library of the House, contains details of the location and production of oil and gas from all fields on the UK Continental Shelf.
[3] Renewable energy production statistics are collected on a UK wide basis only. The figure for Scotland is an estimate mainly based on generating capacities at 31 December 1998.
Source:
British Energy, The Coal Authority, DTI estimates.

Competitiveness Development Fund

Mr. Stevenson: To ask the Secretary of State for Trade and Industry what is the allocation from the Competitiveness Development Fund to the West Midlands Region; and if he will list schemes supported by the fund in the North Staffordshire sub-region. [120396]

Mr. Caborn: The DTI's Competitiveness Development Fund (CDF) is available to Regional Development Agencies (RDAs) to spend on priorities they identify for increasing competitiveness in their regions. The CDF allocation to Advantage West Midlands (the

RDA for the West Midlands Region) for this Financial Year (2000–01) is £440,000, which represents an increase in funding of over 75 per cent. compared to the previous financial year.

Advantage West Midlands used its CDF allocation of £250,000 for the last financial year (1999–2000) to support a wide range of projects that were designed to have a region-wide effect: none were specifically limited to North Staffordshire. These projects included work on promoting enterprise and innovation, encouraging best practice and developing supply chains.

Sellafield

Mr. McGrady: To ask the Secretary of State for Trade and Industry what representations he has received from *(a)* Members of Parliament, *(b)* representatives from other parliaments and assemblies and *(c)* Ministers from other Governments, in respect of the dangers posed by the operation of Sellafield, in each month since January 1999; and what response he has made. [120712]

Mrs. Liddell: My right hon. Friend the Secretary of State for Trade and Industry has received a number of representations by correspondence, Parliamentary Question or in person in relation to the safety of operations at Sellafield. Each has been carefully considered and appropriate responses, addressing the issues raised, have been provided. The table lists the representations made since January 1999. In the case of Parliamentary Questions, the responses were of course published in *Hansard*.

	(a) Members of Parliament	*(c) Ministers from other Governments*
January 1999	0	0
February 1999	2	0
March 1999	0	0
April 1999	0	0
May 1999	0	1
June 1999	0	0
July 1999	1	0
August 1999	1	0
September 1999	1	0
October 1999	1	0
November 1999	2	0
December 1999	0	0
January 2000	1	0
February 2000	2	2
March 2000	5	1
April 2000	0	0

Note:
There have been no representations from public representatives from the Scottish Parliament or Welsh Assembly *(b)*.

Mr. McGrady: To ask the Secretary of State for Trade and Industry what assessments have been undertaken by *(a)* his Department and *(b)* the Nuclear Installations Inspectorate/Health and Safety Executive of the (i) accident risk and (ii) accident consequences of the operation of Sellafield since May 1997. [120713]

Mrs. Liddell: It is for the licensee of a nuclear site—BNFL in the case of Sellafield—to assess both the accident risk and potential accident consequences of its operations as part of a comprehensive safety case for each operation. This information must be updated with changing circumstances. As required under the terms of the Sellafield site licence conditions these safety cases are presented to the Site Nuclear Safety Committee, which includes independent members.

The role of HSE is to analyse these safety cases in detail to verify that they are sound. Regular on-site inspections by the Nuclear Installations Inspectorate (NII) seek to confirm that the limits and conditions contained in the safety cases are complied with in the plant at all times. HSE/NII publishes information about its assessments of particular plant from time to time; a recent example is its report "The storage of liquid high level waste at BNFL, Sellafield", which deals with the B215 complex which includes the highly active liquor tanks.

The Department of Trade and Industry has no role in this independent regulatory process.

Motor Industry (State Aid)

Mr. Mitchell: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 17 April 2000, *Official Report*, column 323W, concerning state aid to the motor industry, where the EU publishes information about rules and criteria for these purposes. [120741]

Mr. Alan Johnson: Under Article 87(1) of the Treaty of Rome (as amended by Amsterdam), the Commission may develop 'appropriate measures' for State aid by issuing frameworks or codes. These frameworks describe the practice the Commission intends to follow when examining aid proposals, and generally set limits on the intensity of assistance which may be paid within the State aid rules.

The framework are published in the Official Journal, and are available in full on the Commission's website at www.europa.eu.int/comm/dg04/lawaid.htm.

The Official Journal reference for the Motor Vehicle framework is: OJ C279, 15.9.1997.p1.

Employment and Tribunal Claims

Ms Julie Morgan: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 13 April 2000, *Official Report*, columns 273–76W, concerning employment and tribunal claims, if he will make it his policy to produce separate statistics for Wales, England and Scotland; and if he will provide the figures requested on that basis. [121045]

Mr. Alan Johnson: The Employment Tribunals Service (ETS) records information on tribunal applications, for statistical purposes, by the office where they are handled rather than by the place where the action arose. ETS offices may, for operational and judicial reasons, handle cases arising in England or Wales and it is not therefore possible to provide figures in the form requested. Tribunals operate within the same policy framework across Great Britain and I have no plans to change the current policy on provision of such figures.

Telecommunications Council

Mr. Hood: To ask the Secretary of State for Trade and Industry what was the outcome of the Telecommunications Council held in Brussels on 2 May; and if he will make a statement. [120991]

Ms Hewitt: There was an orientation debate on the review of the regulatory framework for electronic communications. During the debate all member states supported the general approach of the Commission on regulation of access to infrastructures in order to promote competition. A number, including the UK, welcomed the Commission's proposal that regulation should be on a co-regulatory basis with business where possible. Regarding the new institutional structure, member states welcomed the Commission's intention to build on the existing structure, but define the roles of any new bodies. On the scope of universal service, most member states, including the UK, supported the Commission's proposal to retain the existing scope of universal service, but to keep this under review.

The Commission presented its Communication on the World Radiocommunication Conference 2000 and the Council adopted Conclusions giving broad support to the Communication.

The Commission also presented a number of recent or forthcoming Communications concerning: the results of its consultation on creation of the EU internet top level domain; organisation and management of the internet; unbundled access to the local loop; and gave an update on the forthcoming postal services liberalisation Directive. The Council also noted Presidency reports on the outcome of the Conference on Digital Terrestrial Television, and the Ministerial Conference on Knowledge and the Information Society held in Lisbon on 17–18 February and 10–11 April 2000 respectively.

A3XX Project

Dr. Cable: To ask the Secretary of State for Trade and Industry what assumptions were made in his Department's appraisal of the A3XX project about the likely demand for these aircraft from airlines flying into and out of UK airports, with specific reference to Heathrow. [121027]

Mr. Alan Johnson: In appraising the A3XX project the Department undertook a full market study of the aircraft's prospects. Details of this report are commercially confidential, but a key market rationale of the A3XX is to carry large numbers of passengers from hub to hub. We would therefore expect Heathrow to be one of the airports where the A3XX would operate. The A3XX has been designed to meet the most stringent environment and noise standards.

Assisted Areas Map

Dr. Iddon: To ask the Secretary of State for Trade and Industry if he will re-include the Farnworth and Kearsley wards in the assisted status map as it affects the Bolton metropolitan borough. [120846]

Mr. Caborn: The consultation period on the amended proposals for the new Assisted Areas ended on 2 May. The Government are considering carefully the representations received, including those relating to Bolton, and will be discussing the representations received with the European Commission. The new Assisted Areas are subject to approval by the Commission.

Mr. Beith: To ask the Secretary of State for Trade and Industry what information about wards included in and excluded from the assisted areas map was given to representatives of the media by *(a)* ministers, *(b)* special advisers and *(c)* officials in his Department before Monday 10 April. [121049]

Mr. Caborn: No advance information about wards included in or excluded from the revised assisted areas map was distributed to the media before Monday 10 April.

Zenith Milk

Dr. Marek: To ask the Secretary of State for Trade and Industry if Zenith Milk will be permitted to process milk. [120807]

Dr. Howells *[holding answer 5 May 2000]:* The Director General of Fair Trading (DGFT) has advised that Milk Link, Axis and Zenith, the three successors to Milk Marque, have been operating independent arrangements for the marketing and selling of their members' milk this winter.

Following that advice, my right hon. Friend the Secretary of State for Trade and Industry announced on 2 May that, on the basis that the assurances given last year of independent operation will continue to be observed, he can see no reason why Milk Link, Axis and Zenith should not establish or extend their processing activities if they choose to do so.

The assurances given were that all policy making and selling of milk would be carried out independently by each of the successors with no joint ventures between the new businesses in marketing or processing milk, with no common directors and no shareholdings by any one of the new businesses in either of the others. Milk Marque also stated that they would not supply to the successor bodies, after 31 March 2001, central services which could not be split prior to the reorganisation which took place last year.

Should the new businesses choose to extend their processing activities through acquisition they will of course be subject to the merger provisions under competition law in the same way as any other company. In addition, Milk Link, Axis and Zenith must, like all undertakings, operate their businesses in accordance with both domestic and European competition law.

Second Class Post

Mr. Gibb: To ask the Secretary of State for Trade and Industry if he will make a statement on his policy on the future of the second class post. [121267]

Mr. Alan Johnson: The Government have no proposals to abolish second class mail. The Post Office tell me that no such proposals have been submitted to the Post Office Board, nor are any expected.

Ilisu Dam

Ms Kingham: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 13 April 2000, *Official Report*, column 273W, which British banks are included in the lending syndicate for the Ilisu Dam project. [121019]

Mr. Caborn: The lending syndicate for the Ilisu Dam project has not yet been formed, and is unlikely to be formed until after the export credit agencies have made their decisions regarding support for the project.

Sudan

Dr. Tonge: To ask the Secretary of State for Trade and Industry what recent discussions he has had with BP Amoco concerning its investment with Talisman Energy and the China National Petroleum Corporation operating in Sudan. [120269]

Mr. Caborn *[pursuant to his reply, on 2 May 2000, c. 29W]:* I would like to point out that BP Amoco has no operations or investment in Sudan. Furthermore, BP Amoco's business and ethical policies preclude such involvement.

WALES

Corus

Mr. Flynn: To ask the Secretary of State for Wales what recent meetings he has had with Corus; and if he will make a statement. [120930]

Mr. Paul Murphy: I have had meetings with the Chief Executive of Corus and visited the Corus Steelworks at Shotton.

The Government recognise that Corus is one of the most efficient steel producers.

The Government fully understand the importance of a successful manufacturing sector; steel is making a vital contribution to the economy and employment.

AGRICULTURE, FISHERIES AND FOOD

Pig Farming (Aid)

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what progress has been made by the EU Commission in setting up a regulatory fund to aid pig farmers. [119704]

Ms Quin: The European Commission has come forward with a proposal to introduce a European Regulatory Fund for pig producers. An initial statement about the proposal was made by the European Commission at the Agriculture Council on 17 April. As presented, it does not provide for funding from the EU Budget; rather it is proposed to be a voluntary fund, financed by pig producers themselves.

LORD CHANCELLOR'S DEPARTMENT

Chester Amphitheatre

Mr. Hawkins: To ask the Parliamentary Secretary, Lord Chancellor's Department, what arrangements have been made to allow archaeological research to be undertaken at the Amphitheatre, Chester, before construction commences on a new court building on any part of that site. [121272]

Jane Kennedy: The site is owned by a developer, David McLean Developments Ltd., with whom the Court Service has entered into an agreement to lease. Following demolition of the British Telecommunications building which occupied the same footprint as the new building, David McLean Developments Ltd. funded an intensive series of archaeological excavations in consultation with the City Archaeologist and English Heritage. These excavations impacted upon the design of the building and as a result it has been possible to avoid disturbing the remains of the amphitheatre beneath. In fact, the foundations of the new building have been carefully designed to avoid any remains and to preserve them in situ, for posterity.

Mr. Hawkins: To ask the Parliamentary Secretary, Lord Chancellor's Department, if a binding contract has been signed for the construction of a new court building on any part of the Amphitheatre site in Chester. [121271]

Jane Kennedy: The Court Service signed a legally binding contract with the Developer, David McLean Developments Ltd., on 20 December 1999 whereby the Court Service is legally bound to occupy the building within 21 days of the completion of its construction. The Court Service were aware of the location of the site and of its archaeological significance, but all appropriate approvals in relation to both planning and preservation had been obtained by the developers.

NORTHERN IRELAND

Railways

Mr. McGrady: To ask the Secretary of State for Northern Ireland what assessment he has made of the independent review of Northern Ireland railways, which was published on Tuesday 28 March; and if he will make a statement. [119563]

Mr. Ingram: The Government welcome the publication of the strategic safety review of Northern Ireland Railways. The extensive recommendations cover all aspects of the operation of the system and the Government are considering, with Translink, how best to target developments. A high level task force has been created to report as soon as possible on the options for the future of the railways in Northern Ireland.

Mr. McGrady: To ask the Secretary of State for Northern Ireland what measures the Government will adopt to improve the railway service in Northern Ireland. [119562]

Mr. Ingram: A task force has been established that will identify, within the wider strategic context of the future development of transportation in Northern Ireland, a range of options for the future of the railway network. It will look at the costs, benefits and affordability of these options. The task force is expected to present its assessment by the summer. The future level of funding for the railway system in Northern Ireland will be considered as part of the 2000 Spending Review.

Parades Commission

Mr. Donaldson: To ask the Secretary of State for Northern Ireland what factors led to the decision to

increase the remuneration for the Chairman of the Parades Commission, commencing with the February appointment of a new person to that post. [119831]

Mr. Ingram: The decision was based on the need to secure as wide a pool of candidates as possible for the post.

Mr. Donaldson: To ask the Secretary of State for Northern Ireland what representations were made during his Department's review of the Parades Commission against changing more than half of the commissioners from the previous Commission when appointing the new Commission; and what such representations were made in the six months prior to the commissioners' appointment. [119842]

Mr. Ingram: The composition of the Parades Commission was outside the terms of reference of the review, and no representations were received along the lines indicated.

Mr. Donaldson: To ask the Secretary of State for Northern Ireland how many times the full membership of the Parades Commission has met since the new members were appointed in February. [119841]

Mr. Ingram: Since the appointment of the new members to the Parades Commission, the Chairman and six members have met on three occasions and a further 11 meetings have been attended by a quorum of at least three members.

Mr. Donaldson: To ask the Secretary of State for Northern Ireland how many days the Chairman of the Parades Commission has spent in Northern Ireland since his appointment in February. [119832]

Mr. Ingram: Between the 17 February and the 27 April 2000, the Chairman of the Parades Commission has visited Northern Ireland on 11 occasions, for a total of 20 days and 11 nights.

Royal Victoria Hospital

Mr. Walker: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 6 April 2000, *Official Report*, column 568W, on the Royal Victoria Hospital, how much of the Royal Group of Hospital HSS Trust's funding was spent on the new railings and perimeter wall of the hospital. [119783]

Mr. George Howarth: It is estimated that approximately £87,000 of Trust capital funding will be used for this part of the project. The remainder of the Trust's contribution will be provided from charitable funds and a public appeal.

Birth Certificates

Mr. Caton: To ask the Secretary of State for Northern Ireland for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120315]

Mr. Ingram: The Northern Ireland Office, Northern Ireland Government Departments and their respective Agencies may ask individuals to provide their birth certificate in a range of circumstances. An individual's birth certificate may be used for one or more of the following reasons:

proof of identity
proof of eligibility under the Civil Service nationality rules
proof of age.

Environmental Protection Agency

Mr. McGrady: To ask the Secretary of State for Northern Ireland when he will establish an Environmental Protection Agency for Northern Ireland. [120754]

Mr. George Howarth: There are no plans at present to establish an Environmental Protection Agency for Northern Ireland. The Environment and Heritage Service, a Next Steps Executive Agency within the Department of the Environment for Northern Ireland, was set up on 1 April 1996 to assume operational responsibility for environmental issues. At devolution, the Northern Ireland Assembly decided to place environment and heritage responsibilities in the new Department of the Environment. I would expect any re-examination of the way in which such matters are handled to be considered by the devolved administration.

Sellafield

Mr. McGrady: To ask the Secretary of State for Northern Ireland what discussions he has had with the Secretary of State for Trade and Industry in relation to plutonium pollution arising from processing activities at the Sellafield Mixed Oxide Plant, in respect of the hazards posed to *(a)* people, *(b)* flora and *(c)* fauna in Northern Ireland. [120708]

Mr. George Howarth: Lord Dubs, then Minister for the Environment in Northern Ireland, and his officials were kept informed by Ministerial colleagues in Whitehall regarding the commissioning and full operation of the Mixed Oxide Plant (MOX Plant), including projected environmental impact on the people, flora and fauna. In particular, during early 1997 and 1998 the Environment Agency held three consultation exercises regarding the commissioning and operation of the MOX plant and the variations to Certificates of Authorisation to dispose of gaseous and liquid wastes from the Sellafield site.

Mr. McGrady: To ask the Secretary of State for Northern Ireland if he will establish a study into the environmental effects of the operation of Sellafield on the *(a)* flora, *(b)* fauna and *(c)* fisheries of Northern Ireland. [120709]

Mr. George Howarth: Responsibility for the subject in question has been delegated to the Environment and Heritage Service under its acting chief executive, Mr. J. R. Lamont.

I have asked him to arrange for a reply to be given.

Letter from J. R. Lamont to Mr. Eddie McGrady, dated 3 May 2000:

As Acting Chief Executive of the Environment and Heritage Service (EHS), I am responsible for operational aspects of protection of the environment on behalf of the Department of the Environment. I am responding to the Parliamentary Question you put down on 26 April asking for a study into the environmental effects of the operation of Sellafield on the flora, fauna and fisheries of Northern Ireland.

In Northern Ireland, a comprehensive monitoring programme which is operated by EHS's Industrial Pollution and Radiochemical Inspectorate, has been in place since the early 1970s. The programme is reviewed on an annual basis to ensure that any changes in discharges from the Sellafield Plant are carefully assessed.

Discharges into the Irish Sea from the Sellafield Plant are authorised by the Environment Agency. The Centre for Environment, Fisheries and Aquaculture (CEFAS), formerly the Ministry of Agriculture Fisheries and Food (MAFF) has been sampling and analysing seawater, fish, shellfish, seaweed and sediments in the Irish Sea since the early 1950s. In Northern Ireland, our Inspectorate arranges for samples of seaweed, sediments, fish, nephrops, mussels and winkles to be collected quarterly and forwarded to the CEFAS Research laboratory at Lowestoft. The seaweeds are collected in the Ards Peninsula area and at Portrush and the marine life samples are obtained as far as possible from commercial landings, at Kilkeel and Portavogie. Sediments samples are collected from Northern Ireland's 5 marine loughs.

The Northern Ireland results are published annually in a report entitled "Radioactivity in Food and the Environment" issued by the Ministry of Agriculture, Fisheries and Food (MAFF) and the Scottish Environment Protection Agency (SEPA) and also in the Northern Ireland Abstract of Statistics. The levels of radioactivity measured indicate that they are of negligible radiological significance.

In addition to this programme, the Inspectorate monitors with gamma dose rate in air over intertidal sediments in each district council area which has a coastline. The results indicate minimal radioactivity deposition and are consistent with normal background levels.

We have also undertaken a number of collaborative studies with the Radiological Protection Institute of Ireland and University College Dublin since 1990. A copy of the joint report on Carlingford Lough is available in the Library of the House of Commons.

I can report that on average, people in Northern Ireland receive 2500 microsieverts of radiation a year from all natural and artificial sources; 50 per cent. is due to exposure to radon in the home. 12 per cent. from medical exposure and nuclear discharges accounts for less than 0.1 per cent.

In view of the comprehensive information already available from the monitoring programme there are no plans to establish a separate study at this time. I can assure you, however, that the Department will continue with the monitoring programme in view of local concerns.

CHURCH COMMISSIONERS

Church Repairs

34. **Miss McIntosh:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what recent discussions he has held with the Financial Secretary on reducing VAT on church repairs. [119907]

Mr. Stuart Bell: Following my Adjournment Debate last November, the Church has kept in close touch with the Government. The hon. Lady will be aware that Ministers have confirmed that there is no general relief from VAT on repair costs for churches and the Government's current agreement with their European partners means that new zero rates cannot be introduced. While there is no provision for a reduced rate of VAT under Annex H to the Sixth Directive, it applies only to social housing and not churches.

The Church will continue to press its case for a more equitable tax position in this field.

Investments

36. **Mr. Simon Hughes:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what are his estimates of the Church's return on investments for the next three years. [119909]

Mr. Stuart Bell: The Church Commissioners' policy is to be fully invested in asset classes which experience shows should yield the most satisfactory returns over the long term. Their forecasts are accordingly directed towards the longer timescale.

Clergy

37. **Mr. Ben Chapman:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, if he will make a statement on the terms and conditions of employment of the clergy. [119910]

Mr. Stuart Bell: Terms and conditions vary slightly from diocese to diocese, but should include a stipend (based on a national stipend benchmark of £16,420) free accommodation (or a housing allowance) and the full reimbursement of all working expenses. Clergy are not employed, but are office holders.

Church Running Costs

38. **Mrs. Dunwoody:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what contribution the commissioners have made towards the running costs of the Church of England in 1999. [119911]

Mr. Stuart Bell: In 1999 the Commissioners contributed £156.1 million in support for the Church's ministry, including an element targeted specifically towards parish ministry in those dioceses most in need of financial help. The total meets some 20 per cent. of the Church's overall running costs of approximately £760 million in 1999.

The larger share of the Church's running costs is provided by parishioners. This includes the major new commitment taken on by parishes in the shape of funding clergy pensions earned after 1998.

EDUCATION AND EMPLOYMENT

Pre-school Education

Mr. Edward Davey: To ask the Secretary of State for Education and Employment how many places have been available in local authority-run playgroups in each of the past seven years for each local authority; and if he will make a statement. [117271]

Ms Hodge: Virtually all playgroups are in the voluntary sector with only a few run by local education authorities. Information about places in local authority-run playgroups is contained in tables, copies of which have been placed in the Library. The Department has collected information on playgroup places in England only since 1998. Prior to 1998, information on playgroups was collected by the Department of Health and their national figures have also been shown in the table for completeness.

My Department plans to publish provisional national information about places in local authority-run playgroups (as at 31 March 2000) in July.

New Deal for Schools

Mr. Paul Marsden: To ask the Secretary of State for Education and Employment if he will list each grant made to schools in Shrewsbury and Atcham under the New Deal for Schools programme; and if he will make a statement. [120369]

Jacqui Smith: The following table shows the allocations made to schools in Shrewsbury and Atcham under the New Deal for Schools programme, which formed part of the total allocation of £5,677,761 made to Shropshire Local Education Authority.

Table of New Deal for Schools allocations—Shrewsbury and Atcham constituency

£

	NDS 1 1997–98	NDS 2 1998–99	NDS 3 1999–2000	NDS 4 2000–01
Unable to identify individual schools for NDS 1 as the allocation was made for an LEA wide ICT strategy package at 16 secondary and 23 primary schools. Total allocation to Shropshire LEA was £185,000[1]	—	—	—	—
Wilfred Owen County Primary School—Replacement of classroom	—	37,950	—	—
Shrewsbury Severndale Special School—Replacement of classrooms	—	89,980	—	—
Shrewsbury Harlescott County Junior School—Re-covering to roof of demountable classroom	—	7,632	—	—
Woodfield County Infant School—Re-covering to roof of demountable classroom	—	1,906	—	—
Belvedere School—Renewal of roof coverings to demountable classrooms	—	3,816	—	—
Meole Brace School—Renewal of roof coverings to demountable classrooms	—	1,908	—	—
Meole Brace School—Replace leaking roof	—	—	66,000	—
Unable to identify individual schools in a package to improve inadequate fire precautions—Total allocation £517,200 in NDS 3[1]	—	—	—	—
Unable to identify individual schools in a package to identify asbestos—Total allocation £317,002 in NDS3[1]	—	—	—	—
Condover CE Primary School—Replacement of HORSA building	—	—	—	265,299
Holy Cross CE Junior School—Replacement of temporary classroom	—	—	—	38,700
Shrewsbury Radbrooke Primary School—Replacement of hard play area	—	—	—	32,943
Severndale School—Replace heating systems	—	—	—	65,789
Bomere Heath CE Primary School—Improvement to IT/GP areas in seven schools. Total package allocation £180,093 in NDS 4[1]	—	—	—	—
Wilfred Owen School—Roof repairs in four schools. Total package allocation £216,889 in NDS 4[1]	—	—	—	—
Springfield Infants School—Roof repairs in three schools. Total package allocation £184,694 in NDS 4[1]	—	—	—	—
Springfield Infants School—Refenestration to SCOLA buildings in two schools. Total package allocation £143,106 in NDS 4[1]	—	—	—	—

[1] Information on the allocations made to those schools in the Shrewsbury and Atcham constituency is held by Shropshire LEA

Class Sizes (Infants)

Mr. Michael J. Foster: To ask the Secretary of State for Education and Employment how many infant classes had over 30 pupils in *(a)* 1997, *(b)* 1998, *(c)* 1999 and *(d)* 2000 in the City of Worcester. [120594]

Ms Estelle Morris: Information on key stage one class sizes collected in January for the Parliamentary constituency of Worcester is shown in the following table.

Provisional national estimates of key stage one class sizes for January 2000 were recently published in a Statistical First Release 'Class sizes in maintained schools in England: January 2000 (15/2000)' on 12 April 2000. Class size information broken down by local education authority area is also available from the House of Commons Library.

National figures for Infant class sizes in September 1999 were published in Statistical First Release 'Infant class sizes in England (2/2000)' on 21 January 2000.

Number of key stage 1 classes taught by one teacher with more than 30 pupils in maintained primary schools in the Parliamentary constituency of Worcester: 1997–2000

Position as at January	*Number of key stage 1 classes with more than 30 pupils*	*All classes*	*Percentage*
2000[1]	12	112	10.7
1999	13	116	11.2
1998	28	111	25.2
1997	21	112	18.8

[1] Provisional

National Anthem

Mr. Gibb: To ask the Secretary of State for Education and Employment if he will make a statement on the teaching of the National Anthem in state schools. [121020]

Jacqui Smith: There are opportunities to teach about the National Anthem in the curriculum, which schools may take up if they wish.

Key Stages 2 and 3

Mr. Wyatt: To ask the Secretary of State for Education and Employment if he will request that the Qualifications and Curriculum Authority cease the practice of selling Key Stages 2 and 3 past papers to BBC Educational. [121093]

Jacqui Smith: No. The QCA has a contract with BBC Educational allowing them to publish past Key Stages 2 and 3 test papers together with a guide book for parents. The test papers are reproduced for the previous year in order to help parents understand the nature of the test which their children are taking. The approach is consistent with two general policies of making the tests available for general use and encouraging parents to help their children prepare for the tests.

Mr. Wyatt: To ask the Secretary of State for Education and Employment what plans he has to improve the training of end of Key Stage 2 test markers. [121092]

Jacqui Smith: The Qualifications and Curriculum Authority (QCA) has responsibility for the development, administration and marking of the National Curriculum tests, on behalf of the Secretary of State, and takes considerable care in the development and marking arrangements for all the tests. This was reflected in the findings of the Rose Review, an independent cross-party panel set up last year to consider the test development and assessment arrangements at Key Stage 2. As part of the quality control of marking, each external marking agency evaluates the training programme for each year and makes recommendations for change or improvement. In addition the QCA seeks the views of a sample of markers on all aspects of the process, including training. Such feedback is put into the continuous programme of improvement conducted year-on-year.

Mr. Wyatt: To ask the Secretary of State for Education and Employment whether he expects teachers to check the marking of end of Key Stage 2 test papers on their return from the external marking agency. [121090]

Jacqui Smith: Teachers are not expected to check the marking of test papers on their return from the external marking agency. However, teachers may wish to use the tests as a means of providing feedback to pupils on their performance and, in order to do this, they would have to review the pupils' marks against the markscheme. It is for schools to decide whether and how to use the tests in reviewing pupils performance. Teachers may also have doubts about the final level awarded to any pupil. If they decide to request a formal review of the marking in the test, they would need to refer to the markscheme in order to identify errors and provide a reason for a review.

Anti-drugs Policy

Mr. Cox: To ask the Secretary of State for Education and Employment what discussions he has had with the directors of London education authorities on developing the Government's anti-drugs policy in schools within their authority areas. [121121]

Jacqui Smith: The main vehicle for anti-drugs education is the Personal, Social and Health Education Framework which was issued in November 1999. This was developed after extensive national consultation, and the views of Local Education Authorities were taken on board as part of that process.

Jobcentre, Chelmsford

Mr. Burns: To ask the Secretary of State for Education and Employment how many vacancies were notified to the Chelmsford jobcentre in each of the last 12 months for which figures are available. [120347]

Ms Jowell: The number of vacancies notified to the Chelmsford Jobcentre during the months April 1999 to March 2000 were as follows.

	Number
1999	
April	627
May	718
June	636
July	711
August	897
September	608
October	1,104
November	559
December	545
2000	
January	322
February	529
March	563

Jobseeker's Agreement

Mr. Öpik: To ask the Secretary of State for Education and Employment what procedure is followed in cases where a jobseeker and an employment office cannot reach agreement on the details of a jobseeker's agreement; and if he will make a statement. [120081]

Ms Jowell: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Mark Neale to Mr. Lembit Opik, dated 8 May 2000:

As the Employment Service is an Executive Agency the Secretary of State for Education and Employment has asked Leigh Lewis to reply to your question about the procedure that is followed where a jobseeker and an employment officer cannot reach agreement on the details of a Jobseeker's Agreement. This is something which falls within the responsibilities delegated to Mr. Lewis as Chief Executive of the Employment Service. I am replying in his absence.

Jobseeker's Allowance regulations set out the conditions for the receipt of Jobseeker's Allowance (JSA). These include a requirement that a jobseeker must have a Jobseeker's Agreement which both the jobseeker and the employment officer have signed. The contents of the Agreement are negotiated between the Jobseeker and the employment officer at the initial interview when a claim for JSA is made.

If the adviser and Jobseeker cannot agree the Jobseeker's Agreement, the case is referred to an independent Sector Decision Maker for consideration.

The Sector Decision Maker can determine the contents of a Jobseeker's Agreement and issue a direction that the jobseeker should comply with. The direction will state what the contents of the Jobseeker's Agreement should be and enable the jobseeker to satisfy the availability and actively seeking employment conditions. If the Jobseeker's Agreement is not signed by the jobseeker following the Decision Maker's determination, the Jobseeker's Agreement will not be valid and Jobseeker's Allowance will not be paid.

I hope this is helpful.

PRIME MINISTER

"Wiring it Up"

Mr. Chope: To ask the Prime Minister from what date conclusion No. 1 of the Performance and Innovation Unit report, "Wiring it Up", took effect for Cabinet Minsters; and what steps were taken to draw this to their attention. [114387]

The Prime Minister *[holding answer 13 March 2000]:* Conclusion number one of the Performance and Innovation Unit's report, "Wiring it Up", took effect from the date of its publication on 13 January 2000. I am, of course, in regular touch with Cabinet Ministers about their responsibilities. In addition, in explaining their work to new Cabinet Ministers I will take account of conclusion number one.

Sellafield

Mr. Llew Smith: To ask the Prime Minister what representations he has received from councillors in the United Kingdom and Republic of Ireland in respect of Sellafield since 1 April. [120251]

The Prime Minister: I have received one representation from a councillor in the Republic of Ireland in respect of Sellafield since 1 April.

Depleted Uranium

Mr. Dalyell: To ask the Prime Minister, pursuant to his answer of 12 April 2000, *Official Report*, column 200W, on the use by NATO of depleted uranium against Yugoslavia, what steps he will recommend that NATO takes to monitor *(a)* Serbian civilians, *(b)* ethnic Albanian civilians, *(c)* the environment of Western Kosovo and *(d)* the environment of the Federal Republic of Yugoslavia for the effects of the use of depleted uranium. [119503]

The Prime Minister *[holding answer 3 May 2000]:* As my earlier answer noted, NATO is co-operating with the United Nations in the on-going work of the UN Environment Programme into the environmental consequences of the Kosovo conflict. The United Kingdom has contributed over £50,000 to this work. We will study carefully the conclusions reached by the UNEP Balkans Task Force.

London Mayor

Mr. Flynn: To ask the Prime Minister what contacts he has had with the Mayor-elect of London; and if he will make a statement. [120934]

The Prime Minister: I spoke to the Mayor by telephone during the course of the weekend. I will have further conversations and meetings with him as appropriate.

HOME DEPARTMENT

Asylum Seekers

Mr. Hilary Benn: To ask the Secretary of State for the Home Department if it is his policy that the value of toys and groceries given by charities to those seeking asylum should be deducted from benefits paid to such persons. [119919]

Mrs. Roche: In determining whether an applicant for support is eligible for support and if so what the appropriate level of support should be, the National Asylum Support Service will take into account substantial and continuing support to meet accommodation or other essential living needs being provided by charities (or any other body or person) to the asylum seeker. The Service will normally disregard one off or very small donations of groceries or other support.

Donations of toys whether from charities or any other source will not be taken into account.

Birth Certificates

Mr. Caton: To ask the Secretary of State for the Home Department for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120317]

Mr. Straw: Birth certificates are one of the documents requested as proof of identity and age for recruitment and pension purposes. They are also normally required for the issue of passports and for applications to remain in the United Kingdom on the basis of marriage to a British Citizen. My Department does not normally require existing employees or contractors to provide birth certificates.

Crime Fighting Fund

Mr. Dismore: To ask the Secretary of State for the Home Department if he will make a statement on the number of police he intends should be recruited nationally in 2000–01 as a result of the crime fighting fund; and what the cost will be of this recruitment. [120486]

Mr. Charles Clarke: I refer my hon. Friend to the reply given by my right hon. Friend the Home Secretary to the right hon. Member for Maidstone and The Weald (Miss Widdecombe) on 6 April 2000, *Official Report*, columns 595–96W. I hope to make the promised announcement shortly.

Drugs Misuse

Mr. Flynn: To ask the Secretary of State for the Home Department when the Advisory Council on the Misuse of Drugs will consider the Police Foundation's report. [120375]

Mr. Charles Clarke: The Advisory Council on the Misuse of Drugs is an independent body and, therefore, I cannot speculate on its consideration of the Police Foundation report into the Misuse of Drugs Act 1971. I can confirm however that copies of the report will be sent to members of the Council for information ahead of its next meeting on 25 May.

Juvenile Secure Estate

Mrs. Golding: To ask the Secretary of State for the Home Department what methods of physical control and restraint will be used in the new juvenile secure estate; if different methods will be used according to the age of the child; and how the use of control and restraint will monitored. [120590]

Mr. Boateng: The methods of physical control and restraint currently in use in the juvenile secure estate vary according to the type of accommodation in which a young person is held.

Local authority secure units use a variety of control and restraint methods in line with Department of Health guidance. Secure training centres use physical control in care methods which are approved by the Home Secretary. Prison Service Young Offender Institutions follow control and restraint methods which may be used to resolve incidents involving violent prisoners of all ages and of both sexes.

The Youth Justice Board for England and Wales is responsible for monitoring regime standards and performance across all forms of juvenile secure accommodation. The Board intends to conduct a review of methods of physical control and restraint in juvenile secure accommodation with a view to identifying and promoting good practice.

Prisoners (Home Life Background)

Mr. Gerald Howarth: To ask the Secretary of State for the Home Department how many people there were in prison in *(a)* 1970, *(b)* 1980 and *(c)* 1999, broken down by those who were children of (i) intact families and (ii) broken families. [120662]

Mr. Boateng: The information requested is not centrally recorded. However, a survey undertaken by the Office for National Statistics, "The National Prison Survey 1991" by Tricia Dodd and Paul Hunter (available through The Stationery Office), of persons held in prisons in England and Wales at the beginning of 1991 found that, of those inmates interviewed (around 3,800), 62 per cent. had lived with both parents for most of their childhood. Comparable information for other years is not available.

Young Offenders (Home Life Background)

Mr. Gerald Howarth: To ask the Secretary of State for the Home Department how many adolescent murderers in *(a)* 1980 and *(b)* 1999 grew up living apart from at least one parent; and what percentage of adolescent murderers this represented. [120669]

Mr. Charles Clarke: The information requested is not available centrally.

There were, however, 84 persons aged between 10 and 20 convicted of homicide in England and Wales in 1980 (including 40 convicted of murder) and 70 in 1998, the latest year for which figures are available (including 31 convicted of murder).

Mr. Gerald Howarth: To ask the Secretary of State for the Home Department what proportion of young people on supervision orders came from broken homes in *(a)* 1980 and *(b)* 1999. [120670]

Mr. Straw: The information requested is not held centrally. 18,300 supervision orders were made in 1980. 12,400 were made in 1998, the most recent year for which figures are readily available.

Family Research Funding

Mr. Gerald Howarth: To ask the Secretary of State for the Home Department if he will list, for each of the last three years, recipients of funds provided by his Department for research into the family, indicating the amount paid to each recipient. [120657]

Mr. Straw: In the two years prior to 1999, the Home Office provided no funding for research into the family. Since April 1999, my Department has provided funds for voluntary organisations under the Family Support Grant. In 1999–2000, over 30 voluntary organisations shared £1 million to develop support for parents and families.

The purpose of these grants is to develop and disseminate good practice in family support. They are not, in the majority of cases, made to directly fund research. However, several of the projects which were funded last year contained an information gathering and analysis component:

The National Family and Parenting Institute was awarded a total Government grant of £636,000 in 1999–2000. The Home Office provided £200,000 of the total funding, of which £38,800 was spent on research.

The Family Policy Studies Centre received £43,213 to improve the delivery of their information products and services to existing users in the family support field, and

to extend access to new users. It received a further £3,000 in March 2000 to contribute to the costs of an analysis of data from the Fourth National Study of Ethnic Minorities. The Race Equality Unit is a national organisation which helps to develop better social care services for black and minority ethnic communities. It received funding of £46,483 to develop a parenting programme and materials for ethnic minority parents, which included research.

Gingerbread, a national organisation offering support to lone parents, received £10,000 to conduct research into the needs of lone fathers for practical, emotional and social support.

The National Youth Agency (NYA) and Youthnet were both awarded funds to facilitate the 'Listen Up' dialogue between Government and young people, in order that young people's views inform future policy and service delivery for young people. The organisations spent £26,[illegible]05 on the research element of this project.

The marriage charity One Plus One received joint funding from the Home Office and the Lord Chancellor's Department to develop a marriage information booklet for couples planning to marry. This included £8,658.50 of Home Office funding spent on research.

Secure Training Centres

Sir Peter Lloyd: To ask the Secretary of State for the Home Department how many children have been re-admitted to each of the secure training centres *(a)* for breach of the order and *(b)* under a new sentence. [120623]

Mr. Boateng: The secure training order under the Criminal Justice and Public Order Act 1994 was implemented on 1 March 1998 and was replaced by the detention and training order under the Crime and Disorder Act 1998 on 1 April 2000. The custodial part of the secure training order could be served in a secure training centre or a local authority secure unit if no secure training centre place was available.

389 offenders were sentenced to a secure training order. 46 of them were returned to custody by the courts for the breach of supervision requirements following release and 31 were later sentenced to a secure training order for a further offence. A breakdown of this information for each secure training centre is not currently available and I will write to the right hon. Member when it has been prepared.

Leave to Remain Indefinitely

Mr. Alasdair Morgan: To ask the Secretary of State for the Home Department (1) what is the recommended time scale for applications for leave to remain indefinitely to be processed by the Immigration and Nationality Directorate; [120738]

(2) what the average processing time is for immigration applications for leave to remain indefinitely. [120737]

Mrs. Roche: There was a reorganisation of caseworking practices in the Immigration and Nationality Directorate at the beginning of 1999, and an analysis of decisions taken subsequently has not yet been undertaken. But over 70 per cent. of new applications are decided within a week under fast track procedures. The remainder of new applications will normally be decided within six weeks. There is no recommended time limit for deciding these applications.

Animal Experiments

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department how many animals were used in bio-medical research in *(a)* 1970, *(b)* 1980, *(c)* 1990 and *(d)* in the latest 12 months for which figures are available; what restrictions he applies on their use; and if he will make a statement. [120395]

Mr. Mike O'Brien: Animals are used only in scientific procedures where fully justified, for example in medical research to prevent disease or reduce illnesses for people or other animals; also, where there are no valid alternatives and where the benefits outweigh the costs to the animals involved.

The commentary in the "Statistics of Scientific Procedures on Living Animals Great Britain 1998" records the number of procedures or experiments conducted each year since 1946. These figures cover all scientific procedures involving the use of protected animals and do not separately identify those relating to biomedical research. The figures for the years requested are:

Year	*Million*
1970	5.7
1980	4.3
1990	3.2
1998	2.6

Although there have been a few years when small rises were recorded, including 1998, there has been a steady decrease in the number of procedures performed since 1970. This reflects advances in science that have allowed the replacement of animals in scientific procedures, the reduction of the numbers of animals used per procedure and the refinement of those procedures. This Government's decisions to end some categories of animal use, such as cosmetic testing, have also made a contribution. More recently, there has also been a downward trend in the use of conventional animals, offset by an increase in the use of genetically modified animals. These trends also reflect recent scientific advances.

Figures for 1999 are due to be published in July.

Criminal Records Bureau

Mr. Todd: To ask the Secretary of State for the Home Department if he will announce a scale of charges for checks on the criminal records of volunteers working with children. [120746]

Mr. Charles Clarke: When the Criminal Records Bureau comes into operation, it will be expected to recover its costs through charges for the certificates that it will issue, on application, to individuals. Until the Bureau's operating costs have been determined, it will not be possible to fix the charges, but the cost has previously been estimated at between £5 to £10, depending on the type of certificate requested. There are no plans to have a separate scale of charges for volunteers working with children.

Prison Industries

Miss Widdecombe: To ask the Secretary of State for the Home Department if he will list *(a)* the annual expenditure and *(b)* the annual income of prison industries in England and Wales in each of the last 10 years. [120686]

Mr. Boateng: The information requested is given in the table.

Expenditure and income of prison industries 1990–91 to 1999–2000

£ million

		Income	
	Expenditure	*Own consumption*	*Commercial*
1999–2000	26.685	42.495	10.456
1998–99	28.889	39.200	8.172
1997–98	28.442	36.358	7.732
1996–97	27.080	44.736	6.718
1995–96	24.680	45.103	5.642
1994–95	25.609	42.926	4.587
1993–94	27.287	39.350	4.685
1992–93	23.170	37.246	4.982
1991–92	20.205	34.465	5.289
1990–91	18.668	34.032	5.499

Notes:
1. All data cover both industries and farms.
2. Expenditure data include variable costs and exclude fixed costs.

Miss Widdecombe: To ask the Secretary of State for the Home Department if he will list *(a)* the number of prisoners employed in workshops, *(b)* the number of prisoners employed outside workshops and *(c)* the number of prisoners without work, in each adult male training prison in England and Wales, on the most recent date for which figures are available. [120692]

Mr. Boateng: Numbers of prisoners employed in workshops and outside workshops are given in the table. Records are not kept centrally of the number of prisoners without work.

Number of prisoners in work—inside and outside workshops

	Category	*Agricultural Business*	*Gardens amenity*	*Kitchen*	*Non PES workshops*	*Other occupations*	*Other prison cleaning and orderly work*	*PES workshops*	*Prison maintenance work*	*Wing cleaning work*
Albany	B	4	36	18	16	—	21	112	4	60
Blundeston	B	—	10	12	—	9	14	70	6	51
Dartmoor	B	4	9	25	6	—	5	165	6	85
Forest Bank	B	—	4	28	26	2	107	0	0	24
Garth	B	8	7	37	—	—	24	167	7	40
Gartree	B	—	13	10	56	10	—	59	8	41
Grendon	B	17	18	34	—	14	54	—	7	64
Kingston	B	—	10	11	—	6	9	34	3	20
Lowdham Grange	B	—	8	14	178	—	7	—	14	85
Maidstone	B	—	4	13	—	4	9	181	10	94
Parkhurst	B	—	12	6	12	4	18	109	5	53
Swaleside	B	—	3	13	—	133	20	35	8	146
Acklington	C	15	13	26	13	7	29	195	7	92
Ashwell	C	—	19	18	—	21	—	175	17	67
Blantyre House	C	—	2	12	—	—	9	5	1	8
Buckley Hall	C	—	16	28	—	5	14	110	7	53
Camp Hill	C	4	0	11	—	—	29	65	19	37
Channings Wood	C	16	14	17	9	9	25	138	12	68
Coldingley	C	—	—	—	—	162	—	—	215	—
Downview	C	—	26	11	11	12	26	16	13	29
Erlestoke	C	14	12	15	21	—	20	13	8	57
Everthorpe	C	25	7	20	—	6	8	131	9	31
Featherstone	C	7	8	9	—	—	31	250	6	44
Haverigg	C	24	17	10	—	20	12	203	—	25
Highpoint	C	—	37	31	33	15	27	78	9	117
Kirklevington	C	—	5	9	—	10	2	—	1	10
Lancaster	C	—	0	—	—	12	12	20	0	15
Lindholme	C	50	29	16	38	35	—	24	11	60
Littlehey	C	—	14	20	—	46	14	156	7	45
Moorland	C	—	15	25	—	24	—	90	6	63
Mount	C	—	19	43	89	7	14	—	7	83
Ranby	C	—	18	25	—	196	—	224	5	92
Risley	C	—	18	20	9	18	16	110	19	129
Shepton Mallet	C	—	—	8	8	5	4	18	8	17
Stafford	C	—	4	12	—	—	26	210	10	56
Stocken	C	5	1	23	—	5	22	106	0	52

Number of prisoners in work—inside and outside workshops

	Category	Agricultural Business	Gardens amenity	Kitchen	Non PES workshops	Other occupations	Other prison cleaning and orderly work	PES workshops	Prison maintenance work	Wing cleaning work
Usk	C	17	8	20	36	16	16	—	22	223
Verne	C	—	24	47	—	8	—	119	37	62
Wayland	C	20	12	26	—	14	21	53	2	90
Wealstun	C	28	57	45	19	17	—	169	13	32
Weare	C	—	0	19	—	7	31	—	20	62
Wellingborough	C	2	5	20	—	11	27	44	0	45
Whatton	C	12	12	18	24	4	14	19	10	17
Wymott	C	16	26	3	21	21	—	305	8	121
Ford	D	57	8	21	—	33	31	55	13	14
Hewell Grange	D	31	11	15	—	39	74	—	9	11
Hollesley Bay	D	40	2	9	—	41	11	—	13	26
Kirkham	D	26	131	31	9	43	—	180	17	19
Latchmere House	D	—	3	6	—	9	17	16	3	—
Leyhill	D	84	10	11	—	15	35	83	11	15
Morton Hall	D	18	9	18	19	4	14	—	7	14
North Sea Camp	D	51	—	14	—	13	22	—	19	18
Standford Hill	D	65	16	9	—	6	46	23	13	29
Sudbury	D	36	23	26	—	87	14	86	30	17

Miss Widdecombe: To ask the Secretary of State for the Home Department what was the total value of contracts between Prison Service industries and external customers in each of the last 10 years for which figures are available. [120691]

Mr. Boateng: The majority of Prison Service sales contracts are with the Ministry of Defence and other Government Departments and are formulated on a framework basis. As such, the value of the contract may not have a direct relationship to actual sales. The figures given in the table are for actual sales and, therefore, provide a more accurate representation of commercial work undertaken. The figures include sales from agribusiness as well as industries.

Volume of sales by Prison Service industries and agribusiness to external customers

	£ million
1999–2000	10.456
1998–99	8.172
1997–98	7.732
1996–97	6.718
1995–96	5.642
1994–95	4.587
1993–94	4.685
1992–93	4.982
1991–92	5.289
1990–91	5.499

Miss Widdecombe: To ask the Secretary of State for the Home Department what was the annual turnover of prison industries and farms in each of the last 10 years for which figures are available. [120687]

Mr. Boateng: The information requested is given in the table. For the years 1990–91 to 1995–96, the value of amenity costings have been excluded to bring the data in line with successive years, when these costings were discontinued following the agribusiness review undertaken by the Prison Service in January 1997.

Annual turnover of prison industries and farms 1990–91 to 1999–2000

	£ million
	Turnover
1999–2000	52.951
1998–99	47.372
1997–98	44.090
1996–97	51.454
1995–96	50.745
1994–95	47.513
1993–94	44.035
1992–93	42.228
1991–92	39.754
1990–91	39.531

Prison Workshops

Miss Widdecombe: To ask the Secretary of State for the Home Department if he will make a statement on each of the pilot prisons involved in the first tranche of the Workshop Expansion Scheme, with special reference to *(a)* the number of work places available, *(b)* hours of work, *(c)* prisoner wages and *(d)* the annual turnover of the workshops. [120684]

Mr. Boateng: The information on the number of work places available, hours of work and annual turnover of workshops is given in the table.

The data apply to industries only and excludes agribusiness. It has been extracted from locally-supplied workshop control and hours reports.

Information on prisoner wages is unavailable, as this is not recorded centrally.

Workshop expansion scheme

Establishments	*Work places*	*Hours*	*Annual turnover (£000)*
1997–1998			
Albany[1]	112	25	704
Ashwell[2]	202	25	1,300
Camp Hill	92	25	471
Channings Wood[3]	164	25	681
Featherstone[4]	187	25	2,700
Kirkham[5]	170	25	1,940
Littlehey	170	25	554
Wymott	180	25	1,700
Total	1,277	25	10,050
1998–1999			
Albany[1]	153	23.3	881
Ashwell[2]	280	25	855
Camp Hill	109	20	667
Channings Wood[3]	163	23.25	979
Featherstone[4]	265	27	3,400
Kirkham[5]	251	29	1,920
Littlehey	250	27.3	192
Wymott	268	27.3	2,300
Total	1,739	25.27	11,194
1999–2000			
Albany[1]	132	20.27	487
Ashwell[2]	332	26.55	752
Camp Hill	107	21.29	1,500
Channings Wood[3]	155	22.37	863
Featherstone[4]	254	26.17	2300
Kirkham[5]	220	29.15	1,300
Littlehey	222	14.03	239
Wymott	374	23.14	2,000
Total	1,796	22.87125	9,441

[1] Establishment now has five fewer instructors than at the start of the project. (Additional drug treatment programmes)
[2] Product changes with reduced sales values
[3] Drug treatment programmes affected the work place numbers
[4] Sales values dramatically reduce due to product change
[5] Establishment roll reduced by 250 places

Miss Widdecombe: To ask the Secretary of State for the Home Department what was the average length of the working week for those prisoners employed in workshops in each adult male training prison in England and Wales in the last year for which figures are available; and what was the average wage in each establishment. [120690]

Mr. Boateng: Data on the average length of the working week are given in the table. Records are not kept centrally on the average wage in each establishment.

Average length of the working week

Prison name	*Average hours*
Albany	19
Blundeston	20
Dartmoor	21
Garth	19
Gartree	22
Kingston	25
Maidstone	25
Parkhurst	25
Swaleside	23
Acklington	26
Ashwell	26
Blantyre House	35
Buckley Hall	36
Camp Hill	22
Channings Wood	18
Coldingley	25
Downview	16
Erlestoke	19
Everthorpe	26
Featherstone	19
Haverigg	26
Highpoint	13
Lancaster	18
Lindholme	17
Littlehey	21
Moorland	20
Mount	24
Ranby	22
Risley	27
Shepton Mallet	27
Stafford	21
Stocken	29
Verne	30
Wealstun	20
Wellingborough	20
Whatton	23
Wymott	31
Ford	27
Kirkham	30
Latchmere House	61
Leyhill	21
Standford Hill	23
Sudbury	25

Note:
Figures not available for privately operated prisons

Miss Widdecombe: To ask the Secretary of State for the Home Department how many prisoners were employed on average in prison workshops in each of the last 10 years for which figures are available. [120685]

Mr. Boateng: The information requested is given in the table.

Average numbers of prisoners employed in prison workshops 1990–91 to 1999–2000

	Number
1999–2000	8,571
1998–99	9,699
1997–98	7,615
1996–97	7,601
1995–96	8,844
1994–95	8,851
1993–94	8,680
1992–93	8,552
1991–92	9,308
1990–91	7,286

Prisoners' Earnings Act 1996

Miss Widdecombe: To ask the Secretary of State for the Home Department what plans he has to bring the Prisoners' Earnings Act 1996 into force; and if he will make a statement. [120688]

Mr. Boateng: I am determined that as many prisoners as possible should make a contribution to their keep. Officials will be reporting shortly on the outcome of work they have been doing on the extent to which the Prisoners' Earnings Act 1996 can contribute to this objective and I will then consider the options.

Prisons (Resource Employment Places)

Miss Widdecombe: To ask the Secretary of State for the Home Department if he will list the number of resource employment places in prisons in England and Wales in each of the last 10 years for which figures are available, broken down by type of activity. [120693]

Mr. Boateng: Prior to 1994 accounts were submitted centrally covering industries' and farms' output but following devolution of funding to establishment level this has not been a requirement. Therefore, from 1995–96 the figures have been extracted from data supplied as part of the Prison Service accounts. The available information is given in the table.

Resource employment places in prisons in England and Wales 1990–91 to 1999–2000

Year	*Industries*
1999–2000[1]	[2]10,989
1998–99[1]	[2]11,966
1997–98[1]	[2]9,173
1996–97[1]	[2]9,173
1995–96	
Tailoring/Shirts	2,184
Textiles	2,429
Others	210
Footwear/Leather	221
Printing	243
Weaving	352
Engineering	810
Woodwork	795
Laundry	1,060
Contract Services	1,732
Total	10,036
1994–95	
Tailoring/Shirts	2,176
Textiles	2,381
Others	210
Footwear/Leather	221
Printing	243
Weaving	352
Engineering	810
Woodwork	795
Laundry	1,203
Contract Services	1,732
Total	10,123
1993–94	
Tailoring/Shirts	2,330
Textiles	2,256
Others	190
Footwear/Leather	261
Printing	286
Weaving	313
Engineering	780
Woodwork	763
Laundry	1,053
Contract Services	1,792
Total	10,024
1992–93	
Tailoring/Shirts	2,257
Textiles	2,426
Others	210
Footwear/Leather	266
Printing	286
Weaving	334
Engineering	780
Woodwork	758
Laundry	1,082
Contract Services	1,779
Total	10,178
1991–92	
Tailoring/Shirts	2,296
Textiles	2,798
Others	196
Footwear/Leather	261
Printing	320
Weaving	352
Engineering	740
Woodwork	764
Laundry	1,104
Contract Services	2,132
Total	10,963
1990–91	
Tailoring/Shirts	2,401
Textiles	2,708
Others	226
Footwear/Leather	261
Printing	320
Weaving	439
Engineering	740
Woodwork	879
Laundry	1,017
Contract Services	2,107
Total	11,098

[1] Breakdown by activity not available
[2] Centrally available figures may not be wholly accurate

Resource employment places in prisons in England and Wales 1990–91 to 1999–2000

Totals[1]	*Farms and gardens*
1999–2000	[2]2,784
1998–99	[2]2,949
1997–98	[2]3,508
1996–97	[2]3,508
1995–96	3,474
1994–95	3,474
1993–94	3,474
1992–93	3,474
1991–92	3,657
1990–91	3,551

[1] Breakdown by activity not available
[2] Centrally available figures may not be wholly accurate

Prisons (NVQs)

Miss Widdecombe: To ask the Secretary of State for the Home Department how many NVQs were completed in Prison Service establishments in each of the last five years for which figures are available. [120683]

Mr. Boateng: The figures given are for complete National Vocational Qualifications, not units.

National Vocational Qualifications completed in prison establishments 1997–98 to 1999–2000

	Number
1999–2000	4,109
1998–99	5,462
1997–98	4,680
1996–97	[1]—
1995–96	[1]—

[1] No records available

Magistrates Courts

Mr. Hurst: To ask the Secretary of State for the Home Department if he will estimate the costs to each police authority in England and Wales consequent upon the closure of magistrates courts within their area from 1 January 1995 to 31 December 1999. [R] [121029]

Mr. Charles Clarke: The information on which such establishments could be based is not held locally.

Internet

Dr. Cable: To ask the Secretary of State for the Home Department what estimate has been made of the costs of intercepting internet traffic by the Government's new computer centre, GTAC; and how these costs will be distributed between internet service providers and the Government. [121022]

Mr. Charles Clarke: The Government have allocated £25 million to establish the Government Technical Assistance Centre. I refer the hon. Member to the reply I gave the right hon. Member for Maidstone and The Weald (Miss Widdecombe) on 6 April 2000, *Official Report*, column 596W.

Separately, Clause 12 of the Regulation of Investigatory Powers Bill establishes a power to require communication service providers to maintain a reasonable intercept capability. The particular nature of the requirements will be spelt out in detail in subordinate legislation subject to affirmative resolution. The requirements are likely to change as technology develops.

The Government are currently considering a detailed independent report on how interception might be achieved on the internet and how much it might cost. Existing policy on the allocation of cost is set out in that report which can be found at http..//www.homeoffice.gov.uk/oicd/ripbill.htm.

Richard Lewis (Pardon)

Mr. Wigley: To ask the Secretary of State for the Home Department if he will grant a pardon to Richard Lewis, also known as Dic Penderyn; and what representations he has received on this issue. [121127]

Mr. Straw: I have no plans to grant a posthumous Free Pardon for Richard Lewis. I have not recently received any representations in support of a pardon, but I would, of course, be prepared to look at this case should such representations be received.

Illegal Entrants

Mr. Clappison: To ask the Secretary of State for the Home Department how many clandestine illegal entrants have been discovered in vehicles arriving at United Kingdom ports in each month for the last 12 months for which figures are available. [121289]

Mrs. Roche: Information is recorded centrally on the numbers of persons issued with notice of illegal entry as clandestine entrants. Figures for April 1999 to March 2000 are given in the table. This information is collated by the date of issue of notice of illegal entry and does not contain details of the date of entry to the United Kingdom. The central record does not differentiate between those persons detected in vehicles at ports of entry and those persons whose clandestine entry came to light at a later stage.

Persons issued with notice of illegal entry as clandestine entrants, by month, April 1999 to March 2000[1]

	Number of persons
1999	
April	750
May	1,110
June	960
July	1,330
August	2,055
September	2,150
October	2,240
November	1,850
December	1,885
2000	
January	2,085
February	2,225
March	2,330

[1] All data are provisional and rounded to 5

Mr. Clappison: To ask the Secretary of State for the Home Department how many of the stowaways he witnessed being discovered at Dover on Wednesday 26 April *(a)* have claimed asylum and *(b)* remain in the UK. [121286]

Mr. Straw: Of the nine individuals whose discovery I witnessed on 26 April, six are known to have claimed asylum and are still in the country. Information concerning the three others is not yet available to me but I shall write to the hon. Member as soon as it is.

Violent Crime

Mr. Flynn: To ask the Secretary of State for the Home Department what assessment he has made of the incidence of crimes of violence in *(a)* Gwent, *(b)* other Welsh Police Authority areas and *(c)* English Police Authority areas. [120935]

Mr. Charles Clarke: The latest recorded crime figures published for the period October 1998 to September 1999 show the total of all violent crime, which includes violence against the person, robbery and sexual offences, to be:

Area	Offences per 100,000 population
(a) Gwent	2,151
(b) All other police areas in Wales	962
(c) Police areas in England	1,159

Under the Crime and Disorder Act 1998, local authorities and the police working in partnership are required to develop local strategies for reducing crime and disorder. For the partnerships in Gwent, the key priorities and targets in their local strategies include tackling: drugs and alcohol misuse; anti-social behaviour, including neighbourhood disorder; youth disaffection and offending by young people; and violent and hate crime.

Sick Prisoners

Mr. Flynn: To ask the Secretary of State for the Home Department if he will recommend that remission of sentences granted to sick prisoners because of their illnesses be reviewed when the prisoner has recovered. [120928]

Mr. Boateng: Section 36 of the Criminal Justice Act 1991 allows for release from prison on compassionate grounds in exceptional circumstances. Remission of sentence was abolished with the introduction of the 1991 Act.

Decisions to release prisoners under section 36 of the 1991 Act are rare. Release is granted only where strict criteria are met and where it is considered that release will not place the safety of the public at risk.

Where a prisoner's exceptional circumstances warrant release on compassionate grounds, he or she must comply with the conditions contained in their release licence. If he or she fails to comply with those conditions, or if his or her behaviour after release indicates that there is reason to revise the original risk assessment, the licence can be revoked and the individual returned to custody. Current policy is that improvement in an individual's medical circumstances are not, on their own, sufficient reason to revoke a licence. There are no plans to change this policy.

Home Detention Curfew

Mr. Lidington: To ask the Secretary of State for the Home Department, pursuant to his answer to the right hon. Member for Maidstone and The Weald (Miss Widdecombe), of 2 May 2000, *Official Report*, column 75W, on the home detention curfew scheme, what offences were committed by the prisoners released before the requisite period; and what was the *(a)* sentence received, *(b)* requisite period and *(c)* sentence served in each case. [121074]

Mr. Boateng: My reply to the right hon. Member for Maidstone and The Weald (Miss Widdecombe), of 2 May 2000, *Official Report*, columns 74–75W, indicated that 12 prisoners had been released on the Home Detention Curfew scheme before the end of the requisite period. Further inquiries have revealed that in one case the prisoner was in fact released on the correct date. The available information, therefore, shows that since the Home Detention Curfew scheme commenced in January 1999, a total of 11 prisoners have been released early.

The original offences committed by the prisoners released on Home Detention Curfew before the requisite period, the sentence received, the requisite period and the sentence served in 10 of the 11 cases, are shown in the table. The table also shows additional days awarded (ADAs) as a result of a prisoner breaching the prison disciplinary code. As explained in my reply of 2 May, in a number of cases the early releases were due to the prison's failure to take into account the additional days awarded. A further prisoner, sentenced to two years and six months in respect of an offence of wounding (inflicting grievous bodily harm), was released on Home Detention Curfew before the end of the requisite period of 398 days due to an error in the original sentence calculation. The prisoner was returned to custody after 15 days. He was subsequently released at his automatic conditional release date, his second Home Detention Curfew application having been refused. He served a total of 442 days.

Original offence	*Sentence received*	*Requisite period*	*Sentence served*
Robbery (assault with intent)	3 years 6 months (1,277 days)	580 days + 10 ADAs	588 days
Importation of drugs	2 years 6 months (912 days)	397 days + 10 ADAs	397 days
Escaping unlawful custody	2 years (731 days)	307 days + 5 ADAs	307 days
Possession of drugs with intent	2 years (731 days)	307 days	305 days
Possession of drugs with intent	2 years (731 days)	307 days + 42 ADAs	321 days
Robbery, assault with intent	1 year 9 months (639 days)	261 days	259 days
Theft	1 year 6 months (547 days)	215 days + 14 ADAs	223 days
Theft	1 year (366 days)	124 days + 1 ADA	121 days
Unlawful sexual intercourse	6 months (184 days)	46 days	35 days
Motoring offences	4 months (120 days)	30 days + 7 ADAs	33 days

European Football Championship Matches

Miss McIntosh: To ask the Secretary of State for the Home Department what plans he has to ensure the safety of British football fans travelling to European Football Championship matches. [119875]

Mr. Charles Clarke: The Government are doing everything possible to help the host countries provide a safe and secure environment for all football fans attending the European Championships in Holland and Belgium in June. We established a Euro 2000 Co-ordinating Group in October to ensure that Government, police and other United Kingdom preparations are comprehensive and complementary. There has been considerable liaison and consultation with the Dutch and Belgian authorities who are responsible for the management and security of supporters attending the tournament. This high level of co-operation will continue up to and throughout the tournament.

Police Helicopters (South Wales)

Ms Julie Morgan: To ask the Secretary of State for the Home Department (1) how many criminals were caught as

a direct result of the use of police helicopters by the South Wales Police in *(a)* 1996–97, *(b)* 1997–98, *(c)* 1998–99 and *(d)* 1999–2000; and how much stolen property was recovered as a direct result of the use of helicopters; [120835]

(2) how much it cost to operate the police helicopter tracker car recovery system used by the South Wales Police in the financial years *(a)* 1996–97, *(b)* 1997–98, *(c)* 1998–99 and *(d)* 1999–2000 broken down by the cost of (i) hire of helicopters, (ii) cost of staff and (iii) other costs. [120864]

Mr. Charles Clarke: In 1999–2000, the helicopter used jointly by South Wales Police and Gwent Constabulary was responsible for over 200 arrests and the recovery of £200,000 worth of stolen property. Information relating to previous years and to the use of the tracker recovery system is not immediately available and I will write to my hon. Friend once the details have been collected.

Disorder (Central London)

Miss Widdecombe: To ask the Secretary of State for the Home Department what statues and buildings were vandalised during the disorder in central London on 1 May; what lasting damage was done; how many people have been *(a)* arrested for and *(b)* charged with damaging the statues and buildings; and if he will make a statement. [121044]

Mr. Straw: The statues in Parliament Square, for which the Royal Parks Agency have responsibility, were defaced to varying degrees. Remedial work on these is currently being undertaken by specialist contractors and much of the superficial graffiti have already been removed. Seven statues and monuments, including the Cenotaph, for which English Heritage has responsibility, were also vandalised. English Heritage advise me that no lasting damage was done to any of their monuments. The graffiti on the Cenotaph were removed in time for the wreath laying ceremony at lunchtime last Thursday by the Danish Resistance Movement.

The Metropolitan police advise me that damage was also caused to 19 buildings in and around the vicinity of Whitehall, Trafalgar Square and the Strand. Serious damage was caused to McDonald's in Whitehall. I understand that a total of 13 people have been arrested so far for criminal damage, of whom four have been charged.

Miss Widdecombe: To ask the Secretary of State for the Home Department what plans were drawn up in respect of the protection of *(a)* the statue of Sir Winston Churchill in Parliament Square and *(b)* the Cenotaph prior to the disorder of 1 May; for what reasons, and on whose authority, it was decided not to protect them; how many persons have been (i) arrested and (ii) charged with vandalising the statue and the Cenotaph; what steps the police are taking to arrest other such persons; and if he will make a statement. [121075]

Mr. Straw: I understand that both the Royal Parks Agency who have responsibility for the statues in Parliament Square and English Heritage who have responsibility for seven other statues and monuments, including the Cenotaph, damaged during the May Day disturbances, considered whether the statues and monuments should have been boarded up before the demonstration but decided not to do so. I understand that one factor which was taken into account by the Agency and English Heritage was a concern to avoid the hoarding being used as weapons in the event of violence.

Figures for arrests and charges for criminal damage to individual statues and monuments is not available. The Metropolitan police advise me that 13 people have been arrested for criminal damage and that four of these have so far been charged. Police investigations into the disturbances are continuing.

CABINET OFFICE

Duchy Benevolent Fund

Mr. Gordon Prentice: To ask the Minister for the Cabinet Office how much has been paid from the Duchy Benevolent Fund to organisations and individuals in each year since 1995. [119850]

Marjorie Mowlam: Grants made by the Duchy of Lancaster Benevolent Fund for the past five years are as follows:

	£
1995–96	251,637
1996–97	316,425
1997–98	277,014
1998–99	290,957
1999–2000	[1]310,800

[1] Unaudited

Lists of grants made from the Fund for the last five years would run to several hundred items.

Press Officers

Mr. Lansley: To ask the Minister for the Cabinet Office how many press officers are employed in the Cabinet Office; and how many were employed in *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99. [119977]

Mr. Stringer: The average number of press officers in post in the Cabinet Office Press Office in 1996–97 was seven; 1997–98 was 10.2; 1998–99 was 12.3 and in 1999–2000 was 16.7.

In addition, a dedicated press office was set up in March 1999, to co-ordinate Government media activity on the Year 2000 Millennium Bug problem. The Unit was set up by the President of the Council. The total number of full-time press officers employed over the year was five.

Civil Service Code

Mr. Lansley: To ask the Minister for the Cabinet Office when she proposes to give statutory backing to the Civil Service Code. [120025]

Marjorie Mowlam: The Government have given a commitment, in principle, to give statutory backing to the Civil Service Code. The Government have a heavy forward legislative programme and will take this legislation forward as and when a suitable opportunity arises.

Special Advisers

Mr. Lansley: To ask the Minister for the Cabinet Office what was the *(a)* number and *(b)* cost of foreign visits undertaken by special advisers within her Department since May 1997. [119932]

Marjorie Mowlam: For the financial years 1997–98 and 1998–99, I refer the hon. Member to the answer to the hon. Member for Chichester (Mr. Tyrie) on 17 May 1999, *Official Report*, column 242W. For 1999–2000, Special Advisers accompanied me or my predecessor overseas on five occasions at a cost of £2,022. This includes one visit at no cost to public funds. In addition, the UK Anti-Drugs Co-ordinator and his deputy travelled overseas on six occasions at a cost of £3,935. This includes two visits at no cost to public funds.

CULTURE, MEDIA AND SPORT

FA Cup Final

12. **Mr. Cox:** To ask the Secretary of State for Culture, Media and Sport what plans Ministers in his Department have to attend the Football Association cup final. [119885]

Kate Hoey: My right hon. Friend the Secretary of State and I have both received invitations to attend the FA Cup Final. My right hon. Friend is planning to go to the match, but I shall be at another sporting engagement.

World Cup Final

13. **Mr. Grogan:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the progress made in implementing the Broadcasting Act 1996 with reference to television coverage of the 2002 and 2006 football world cup finals tournaments. [119886]

Mr. Chris Smith: The World Cup finals tournament is a listed event under Part IV of the Broadcasting Act 1996. Under the terms of that Act and of the Independent Television's Code on Listed Events, live television coverage of the World Cup finals tournament must be offered on fair and reasonable terms to BBC 1, BBC 2, Channel 3 (ITV) or Channel 4.

Wembley Stadium

15. **Mr. Pike:** To ask the Secretary of State for Culture, Media and Sport what recent discussions he has held with local authorities regarding the proposed new Wembley stadium. [119888]

Kate Hoey: Neither I nor my right hon. Friend can or should intervene in any of the planning discussions which have recently been taking place between WNSL and Brent. The Wembley Task Force (including Nigel Mobbs, Brent etc. and DCMS officials) has been very active in promoting the wider regeneration of the area, and we are keeping in close touch with their work.

Mr. Greenway: To ask the Secretary of State for Culture, Media and Sport if *(a)* he and *(b)* members of the Wembley Maintenance Committee have discussed with Brent Council a section 106 agreement for transport infrastructure investment in connection with the granting of planning consent for the redevelopment of Wembley Stadium; and if he will make a statement [119121]

Kate Hoey: Planning issues including section 106 agreements are solely a matter for the London Borough of Brent. Therefore, neither Ministers nor officials from the Department have discussed section 106 agreements for transport infrastructure with the London Borough of Brent. Similarly, this is not an issue which the Wembley Monitoring Committee has discussed with the London Borough of Brent though individual members of the Committee, such as Wembley National Stadium Ltd., have had such discussions in the course of their normal business. The Wembley Task Force has discussed a range of transport and other infrastructure issues relating to the wider Wembley regeneration area but this has not included negotiation of section 106 agreements which are a matter for the London Borough of Brent and relevant developers.

Seaside Towns

16. **Shona McIsaac:** To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the allocation of national lottery funds to seaside towns. [119889]

Mr. Chris Smith: The National Lottery funds numerous projects which bring widespread benefits to seaside towns. Research jointly commissioned by my Department and the Lottery distributors into Lottery funding in the coalfields and other areas does however suggest that resort and retirement towns have made relatively fewer applications and have received less per capita than the national average. A second phase of the research, to be published shortly, will seek to identify the reasons for the low level of Lottery funding in certain areas and recommend ways of redressing the balance. I have directed distributors to ensure that there is the widest possible access in all parts of the country to Lottery funding and that funding contributes to reducing social and economic deprivation.

Creative Industries

17. **Jane Griffiths:** To ask the Secretary of State for Culture, Media and Sport what steps he is taking to support new businesses in the creative industries sector. [119890]

Janet Anderson: Through the work of the Creative Industries Task Force, we are tackling a number of generic issues of importance to creative businesses, including the problem of accessing seed and start up capital. We are also addressing these issues at a sectoral level, for example through the work of the Music Industry Forum and the Film Finance Forum. My Department works closely with the Department of Trade and Industry and HM Treasury in taking this work forward.

Professional Football

19. **Mr. Bob Russell:** To ask the Secretary of State for Culture, Media and Sport when he last met representatives of the Football Association and the Football League to discuss the state of professional football in England. [119892]

Kate Hoey: With my right hon. Friend the Secretary of State, I met the Chief Executive of the Football Association and the chairman of the Football League on 16 March to discuss a range of football issues. My right hon. Friend the Secretary of State subsequently met the Chief Executive of the Football Association on 6 April.

National Lottery

20. **Mr. Brazier:** To ask the Secretary of State for Culture, Media and Sport when he next plans to review the guidelines for the allocation of money to good causes by the national lottery. [119893]

Mr. Chris Smith: The guidelines for applicants for National Lottery funds are a matter for the National Lottery distributing bodies within the framework of the directions I have given them. My Department is working with the Lottery distributing bodies to ensure that their application systems are as user-friendly as possible.

Space for Sport and Arts Scheme

21. **Mr. Ben Chapman:** To ask the Secretary of State for Culture, Media and Sport when the first grants will be made to primary schools under the Space for Sport and Arts scheme. [119894]

Kate Hoey: My officials are now in the process of working up further details about the scheme with the Department for Education and Employment and Lottery distributors and we hope to be in a position to invite applications in the autumn.

Sports (Eastern Region)

22. **Mr. Blizzard:** To ask the Secretary of State for Culture, Media and Sport what support he plans to give for sports development in the Eastern region. [119895]

Kate Hoey: A great deal of support is already being given to sports development in the Eastern Region through the Lottery Sports Fund and other programmes operated or funded by Sport England.

Film Industry

23. **Ms Ward:** To ask the Secretary of State for Culture, Media and Sport what benefits the new Film Council will bring to the British film industry. [119896]

Janet Anderson: The Film Council brings together in one body the previous mechanisms for Government film support. It has the remit and resources to deliver, for the first time, a comprehensive strategy for the development of a sustainable film industry.

Mr. White: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the impact of his recent measures to support the film industry. [119891]

Janet Anderson: Over the past three years, we have put in place a more effective framework of support for film and have forged a much closer working relationship with the film industry. The Film Policy Review led to a range of positive developments, including the creation of the Skills Investment Fund and the British Film Office in Los Angeles, and culminated in the launch of the Film Council, which last week announced the first phase of a comprehensive strategy for the development of the film industry.

Football Clubs

24. **Mr. Jim Cunningham:** To ask the Secretary of State for Culture, Media and Sport what steps he is taking to encourage football clubs to give supporters a greater say in the running of their clubs. [119897]

Kate Hoey: My right hon. Friend the Secretary of State announced the Supporters Trusts initiative last October. The resulting body—Supporters Direct—has been operational in shadow form since 27 January. Supporters Direct is designed to offer advice and funding to groups of supporters wishing to invest responsibly in Premiership and Football League clubs.

Free Television Licences

25. **Mr. Hopkins:** To ask the Secretary of State for Culture, Media and Sport how many families in Luton, North will benefit from the introduction of free television licences for households with a member aged 75 or over. [119898]

Janet Anderson: I would refer my hon. Friend to the answer given to my right hon. Friend the Member for Alyn and Deeside (Mr. Jones), of 2 March 2000, *Official Report*, column 350W.

Digital TV (Wales)

26. **Mr. Simon Thomas:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on digital television broadcasting in Wales. [119899]

Mr. Chris Smith: The Government will ensure that all viewers in Wales who presently receive analogue television will be able to receive the main free-to-air channels digitally, before the analogue transmissions are fully switched to digital. Digital television has extended choice to Welsh viewers by enabling S4C and Channel 4 to be broadcast as separate digital services in Wales.

School Sports

27. **Mr. Simon Hughes:** To ask the Secretary of State for Culture, Media and Sport what his plans are for increasing the number of sports taught at or by schools. [119900]

Kate Hoey: The National Curriculum requires schools to offer the opportunity to participate in games, athletics, dance, gymnastics, outdoor and adventure activity and swimming. Within these broad areas it is for schools to determine which sports to pursue. The Government would encourage schools to offer as broad a range of sporting activity as possible, but recognise that this can sometimes be difficult. That is why we are working with Sport England and the Youth Sports Trust on a scheme to establish up to 600 schools sport co-ordinators, who will work in families of schools to encourage better links and sharing of facilities. This will mean that pupils will benefit from a wider range of activities than if their school were operating in isolation.

Analogue Television

28. **Mr. Miller:** To ask the Secretary of State for Culture, Media and Sport what his latest estimate is of the date for the switch-over from the analogue TV signal. [119901]

Mr. Chris Smith: We have estimated 2006–10 for switch-over.

Scientists

Mrs. Anne Campbell: To ask the Secretary of State for Culture, Media and Sport what steps his Department is taking to encourage young scientists to apply to NESTA for financial support. [119887]

Mr. Alan Howarth: NESTA exists to support creative and talented individuals of all ages. Anyone with exciting and new ideas for products and industrial processes can apply for support under NESTA's Invention and Innovation programme, which came on line last December and will shortly be making its first awards. Exceptionally talented individuals, including promising young scientists identified by NESTA appointed nominators, may be supported under NESTA's Fellowship programme. Finally NESTA's Education Programme is intended to support schemes aimed at popularising science, technology and the arts, particularly among the young.

HEALTH

Cancer Services

Dr. Gibson: To ask the Secretary of State for Health (1) what assessment his Department has made of the effectiveness of *(a)* Irinotecan and *(b)* Oxaliplatin; and if he will make a statement; [118961]

(2) what steps he has taken to mark National Bowel Cancer Awareness Week; [118962]

(3) if he will list those health authorities which fund all eligible bowel cancer patients with *(a)* Irinotecan and *(b)* Oxaliplatin in the last 12 months for which figures are available. [118964]

Yvette Cooper: On the 2 May, the Minister of State for Health announced that the National Institute of Clinical Excellence will be asked to consider a range of cancer drugs for appraisal of their clinical and cost effectiveness. These will include irinotecan, oxaliplatin and raltitrexed for colorectal cancer.

Detailed spending information on cancer services, including drugs, is not currently held centrally.

I attended the launch of the National Bowel Cancer Week on 10 April. In addition, we have made available £10 million each year since 1998 to improve access to diagnosis and treatment of colorectal cancer. From July 2000, all patients suspected of having colorectal cancer will be guaranteed an outpatient appointment within 14 days of their general practitioner marking an urgent referral.

Female Genital Mutilation

Ms McCafferty: To ask the Secretary of State for Health what steps he has taken to promote health education among groups affected by the practice of female genital mutilation. [119190]

Yvette Cooper: Education is central to eradicating the brutal practice of female genital mutilation (FGM). We fund a range of educational projects in Britain. This year we have awarded the London Black Women's Health Action Project a section 64 project grant of £25,000 for 1999–2000 for their training and resource project. This project aims to educate and raise awareness of FGM among healthcare providers, facilitate training of trainers programmes and seminars, and to produce and disseminate educational materials.

The Department also provides financial support to FORWARD, the leading voluntary organisation on this issue, through the section 64 grants scheme. This support includes core grant funding of £25,000 for 1999–2000 to 2001–02, to help meet the organisation's running costs. Over the last few years, the Department has provided funds totalling nearly 280,000 for projects developed by FORWARD in the United Kingdom. Additionally, the Department for International Development has committed over £200,000 for two projects in which FORWARD are involved in Nigeria and The Gambia.

The sexual health strategy currently being developed will be looking at health promotion needs including those of particular cultural groups.

Ms McCafferty: To ask the Secretary of State for Health what mechanisms are in place to ensure that the Prohibition of Female Circumcision Act 1985 is enforced. [119188]

Yvette Cooper: The Prohibition of Female Circumcision Act 1985 makes it an offence to carry out the procedures known as female circumcision. It also makes it an offence for anyone to aid, abet, counsel or procure the carrying out of these procedures by any other person on her own body.

There have been no prosecutions under the Act since it came into force. The lack of prosecutions for this offence is only because of the small number of complaints made to the police and the difficulty of obtaining evidence where a complaint is made. Encouraging the education of professionals and practising communities is a more effective tool for eradicating female genital mutilation.

Ms McCafferty: To ask the Secretary of State for Health what measures he has taken to prevent young girls being taken out of the country for the purpose of female genital mutilation. [119189]

Yvette Cooper: The Prohibition of Female Circumcision Act 1985 makes the procedure of female genital mutilation (FGM) illegal. As well as this Act, legal protection for girls is also provided by the Children Act 1989. If a local authority has reason to believe that a child is likely to suffer significant harm, it is obliged to make such inquiries as it considers necessary to enable it to decide whether it should take any action to safeguard or promote the child's welfare. Under the Act, a Prohibited Steps Order can be made to prevent parents carrying out

a particular act without the consent of the Court (eg removing the child from the United Kingdom so that mutilation can be carried out abroad).

Further protection is offered under the Criminal Justice (Terrorism and Conspiracy) Act 1998. This Act makes it an offence for a person to conspire to commit an offence outside the United Kingdom, provided the substantive offence constitutes an offence both under the law in the UK and under the law in the country in which the act is committed. Therefore if parents take their daughters abroad to have them mutilated this would be an offence if FGM is also an offence in the country to which they are travelling.

Genetic Data

Mr. Cohen: To ask the Secretary of State for Health what Code of Practice covers his Department's data matching activities; and if he will place a copy in the Library. [119525]

Ms Stuart: The Department does not have a Code of Practice governing data matching activities. However, where patients may be identified from the data held, the Department adheres to the good practice principles developed by the Caldicott Committee. A copy of the Caldicott Report, published in December 1997, is in the Library.

Tuberculosis

Mr. Breed: To ask the Secretary of State for Health what plans he has to authorise a renewal of the programme of tuberculosis vaccinations within secondary schools. [120402]

Yvette Cooper: I refer the hon. Member to the reply I gave to the hon. Member for Brentwood and Ongar (Mr. Pickles) on 10 February 2000, *Official Report*, column 261W.

Mr. Breed: To ask the Secretary of State for Health what assessment he has made of the recent trend in the incidence of tuberculosis in the United Kingdom; and if he will make a statement. [120371]

Yvette Cooper: The United Kingdom has an excellent record of tuberculosis (TB) control and we are determined this should remain the case.

The incidence of TB is monitored by the Public Health Laboratory Service (PHLS). Official notifications of TB gradually fell to an all time low of 5,086 in England and Wales in 1987 from about 50,000 cases a year in the 1950s and 9,000 cases at the beginning of the 1980s. Since the early 1990s, there have been overall small year on year increases in total notified cases which are continuing. Provisional notifications for 1998 were just over 6,000. While some of this increase may be due to better ascertainment of cases, it has occurred against the backdrop of a worldwide resurgence of this disease that will, inevitably, continue to have some impact on TB in the UK through travel and immigration.

The results of the latest in a series of five-yearly detailed surveys of TB in England and Wales undertaken by the PHLS on behalf of the Department are reported in the Communicable Disease Report Vol. 9, No. 51 (17 December 1999), copies of which are available in the Library.

Mr. Baker: To ask the Secretary of State for Health how many cases of *(a)* human tuberculosis (*mycobacterium tuberculosis*), and *(b)* bovine tuberculosis (*mycobacterium bovis*), were confirmed in humans in (i) 1997, (ii) 1998 and (iii) 1999; and if he will make a statement. [120771]

Yvette Cooper *[holding answer 4 May 2000]:* A total of 5,859 cases of tuberculosis were notified in England and Wales in 1997, 6,087 in 1998 and 6,144 in 1999. 3,232 cases were confirmed by culture in 1997 and 3,506 in 1998. Final totals for culture confirmed cases for 1999 are not yet available.

Of the culture confirmed cases, 32 were due to *Mycobacterium bovis* in 1997, and 29 in 1998. To date, 16 cases due to *Mycobacterium bovis* have been reported for 1999.

There is no evidence at present that the increase in bovine tuberculosis in cattle has led to an increase in bovine tuberculosis in the local human population.

The number of isolates of *M. bovis* from human cases of bovine tuberculosis in England and Wales has varied from 22 to 37 per year between 1993 and 1998 with no trend to increase or decrease. The numbers of human cases of *M. bovis* arising in those regions of England and Wales with the greatest increase in bovine tuberculosis in cattle (South West, Wales and West Midlands) have remained low and have also varied from year to year with no increasing or decreasing trend.

In response to the Krebs Committee report on tuberculosis in cattle and badgers, the Department undertook to continue to monitor the public health impact of *M. bovis* infection carefully. Measures have been taken to enhance surveillance, particularly in those areas most affected by infection in cattle, and to look at geographical and occupational variations in incidence. Department of Health and Ministry of Agriculture, Fisheries and Food officials hold regular meetings to keep matters under review with special regard to the potential for *M. bovis* to infect humans through the United Kingdom food chain and other zoonotic routes.

(Data from the Public Health Laboratory Service. Source: NOIDS database and Mycobnet database as at 3 May 2000 (database kept live)).

Mr. Baker: To ask the Secretary of State for Health if his Department routinely records the occupation of people identified as being infected with Bovine TB; and if he will make a statement. [120770]

Yvette Cooper *[holding answer 4 May 2000]:* Information on the occupation of individuals notified with tuberculosis in England and Wales is sought on the standard notification form. This information is used locally.

Reports of *M. bovis* infections are collated by the Public Health Laboratory Service Communicable Disease Surveillance Centre as part of a scheme called the United Kingdom Mycobacterial Resistance Network (Mycobnet). On receipt of a report of *M. bovis* infection, a questionnaire is sent to the local Consultant in Communicable Disease Control (CCDC) inquiring, among other things, about whether the individual had an agricultural occupation (including working on a farm) or other animal contact.

Student Nurses

Mr. Andrew George: To ask the Secretary of State for Health (1) what recent assessment he has made of the incidence of financial hardship among student nurses; and if he will make a statement; [120412]

(2) what representations he has received about the proposal to award employee status to student nurses; and if he will make a statement; [120406]

(3) what recent representations he has received regarding financial support for student nurses; and if he will make a statement. [120407]

Mr. Denham *[holding answer 3 May 2000]:* Information gathered by the National Health Service Executive's Regional Offices during 1999 reported a total of 105 payments to degree level students (less than 1 per cent. of the student population) from the NHS Hardship Fund. This year's review of student support arrangements will include examination of the provision made for those unfortunate enough to suffer hardship during their training and will encompass both degree and diploma students.

We are aware of the support among student nurses regarding the proposal to award them employee status. Indeed, this issue was discussed at a recent meeting with the Head of UNISON Health Group. However, the move away from students' status as employees accompanied improvements in nurse education, which moved training from the health service to higher education, and gave students supernumerary status thereby strengthening their educational experience. These changes were, and still are, supported by the Royal College of Nursing.

We want to ensure that as many nurses as possible complete their training and go on to work in the NHS, and we recognise the need, therefore, to provide student nurses with the support they need throughout their course. That is why the NHS Bursary Scheme continues to provide more generous support than that available to other students in higher education, and why bursary rates are being increased again by the rate of inflation from September—the third successive annual increase.

Public Bodies

Mr. Steinberg: To ask the Secretary of State for Health if he will list *(a)* the (i) executive agencies, (ii) non-departmental public bodies and (iii) local public spending bodies within his Department's remit, *(b)* the contractors employed by his Department and *(c)* the NHS bodies whose work (1) has been transferred since 1992 and (2) is planned to be transferred in the next 12 months (y) to and (z) from the Northern Region. [121051]

Ms Stuart: *(a)* (i) The Department sponsors the following executive agencies:

Medical Devices Agency
Medicines Control Agency
NHS Estates Agency
NHS Pensions Agency
NHS Purchasing and Supply Agency

(a) (ii) The Department sponsors the following non-Departmental public bodies (NDPBs):

Executive NDPBs

Central Council for Education and Training in Social Work
Commission for Health Improvement
English National Board for Nursing, Midwifery and Health Visiting
Human Fertilisation and Embryology Authority
Medical Practices Committee
National Biological Standards Board
National Radiological Protection Board
Public Health Laboratory Service Board

Advisory NDPBs

Administration of Radioactive Substances Advisory Committee
Advisory Board on the Registration of Homoeopathic Products
Advisory Committee on Borderline Substances
Advisory Committee on Dangerous Pathogens
Advisory Committee on Distinction Awards
Advisory Committee on Genetic Testing
Advisory Committee on Hepatitis
Advisory Committee on NHS Drugs
Advisory Committee on the Microbiological Safety of Foods
Advisory Group on Teenage Pregnancy
British Pharmacopoeia Commission
Committee for Monitoring the Agreements on Tobacco Advertising and Sponsorship
Committee on Medical Aspects of Food and Nutrition Policy
Committee on Medical Aspects of Radiation in the Environment
Committee on Medical effects of Air Pollutants
Committee on the Carcinogenicity of Chemicals in Food, Consumer Products and the Environment
Committee on the Safety of Medicines
Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment
Dental Rates Study Group
Expert Advisory Group on AIDS
Gene Therapy Advisory Committee
Genetics and Insurance Committee
Human Genetics Commission
Joint Committee on Vaccination and Immunisation
Medical Workforce Standing Advisory Committee
Medicines Commission
National Centre for Continuing Professional Education of Dentists
Pharmacists' Review Panel
Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine
Review Body on Doctors' and Dentists' Remuneration
Standing Dental Advisory Committee
Standing Medical Advisory Committee
Standing Nursing and Midwifery Advisory Committee
Standing Pharmaceutical Advisory Committee
Steering Committee on Pharmacy Postgraduate Education
UK Advisory Panel for Health Care Workers Infected with Bloodborne Viruses
United Kingdom Xenotransplantation Interim Regulatory Authority
Unrelated Live Transplant Regulatory Authority
Wider Health Working Group

Tribunals

Mental Health Review Tribunal
National Health Service Tribunal
Protection of Children Act Tribunal
Registered Homes Tribunal

(a) (iii) Local public spending bodies within the Department's remit:

There are currently 99 Health Authorities, 364 NHS Trusts, and 17 Primary Care Trusts operational in England.

(b) The contractors employed by the Department:

The information could be provided only at disproportionate cost.

(c) NHS bodies:

On 1 April 1996 the Northern and Yorkshire Regional Health Authority became the Northern and Yorkshire Regional Office of the National Health Service Executive, Department of Health. At the same time its offices were relocated from Newcastle and Harrogate to a single site in Durham City.

Community Midwives

Mr. Edwards: To ask the Secretary of State for Health what plans he has to improve the pay and conditions of community midwives. [121068]

Mr. Denham *[holding answer 5 May 2000]:* The Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine (NPRB) make recommendations on pay for community midwives employed on national terms and conditions. For the second year running, the Government have accepted in full the pay increases recommended by The Review Body for Nursing Staff, Midwives Health Visitors and Professions Allied to Medicine—an across the board increase of 3.4 per cent. for 2000–01, and for the second year running these increases will be paid in full without staging.

The Government's proposals for modernising the NHS pay system "Agenda for Change" were published last year. For nurses, midwives and health visitors this will mean a new career structure to replace outdated clinical grades, better career progression, fairer rewards for team working, developing new skills and taking on extended roles. The proposals are currently under negotiation with the unions and professional organisations.

Antidepressants

Mr. Flynn: To ask the Secretary of State for Health what action he is taking to reduce deaths resulting from *(a)* Dothiepin and *(b)* other antidepressants. [120929]

Ms Stuart: The majority of deaths recorded in association with antidepressants are as a result of suicide. We take the issue of suicide very seriously. The development of strategies to reduce suicide and improve the mental well-being of the general population are a major part of our programme outlined in the White Paper—"Saving Lives: our Healthier Nation"—and in the National Service Framework for mental health.

Advice is given to health professionals in British National Formulary which advises that patients treated for depression should be assessed frequently for suicidal tendencies and that limited quantities of antidepressant drugs should be prescribed at any one time to reduce the risk of overdosage. The Summaries of Product Characteristics for antidepressants warn that patients at risk of suicide should be monitored closely. As with all medicines, the safety of antidepressants is continually monitored by the Medicines Control Agency and the independent expert advisory body, the Committee on Safety of Medicines.

NHS Trusts (London)

Mr. Gareth R. Thomas: To ask the Secretary of State for Health if he will list the board members of each NHS trust in the London NHS region with responsibility for *(a)* corporate governance and *(b)* maintaining a register of interests for (i) all senior staff and (ii) consultants. [121203]

Mr. Denham: The information is not collected by the Department. However, it is commonly the board secretary who has responsibility for these issues.

Metered-dose Inhalers

Mr. Derek Twigg: To ask the Secretary of State for Health what estimate he has made of the cost to the NHS of migrating all recipient patients from metered dose inhalers to alternative pharmaceutical delivery systems. [120424]

Ms Stuart: No estimate has been made because such costs cannot be readily quantified.

Operating Theatres (Chemicals)

Mr. Derek Twigg: To ask the Secretary of State for Health what discussion he has had with safety experts and clinicians concerning the use of *(a)* ammonia and *(b)* hydrocarbons in hospital theatres. [120425]

Ms Stuart: The use of ammonia and hydrocarbons in hospitals is a matter for individual hospital trusts in conjunction with the Health and Safety Executive. All hospitals are required to undertake risk assessments under the Control of Substances Hazardous to Health regulations. This covers assessment of all potentially dangerous chemicals, including ammonia and hydrocarbons, in all hospital areas, including theatres.

Nurses

Dr. Fox: To ask the Secretary of State for Health (1) what the cost was of the television advertising campaign which described the average nurse as earning over £20,000 per year; [121128]

(2) what the average income is of a nurse, excluding allowances; [121129]

(3) what representations he has received regarding the television advertising campaign which described the average nurse as earning over £20,000 per year; [121130]

(4) who authorised the television advertisement stating that the average nurse earns over £20,000 per year; [121131]

(5) how his Department estimated the average income of a nurse for inclusion in the recent television advertising campaign; and if he will make a statement; [121132]

(6) if he will make a statement about the future of the television advertising campaign to recruit nurses. [121133]

Mr. Denham: My right hon. Friend the Secretary of State authorised the recent nurse recruitment campaign

which cost £4.2 million and was launched on 28 February, and included television advertising. The campaign will run for three years. The current campaign follows on from the success of last year's recruitment campaign. Over 45,000 people have inquired about a career in the National Health Service, or returning to the NHS, as a result of it.

Recruitment campaigns including local campaigns, are not a one-off exercise and we expect them to become a regular feature of what the NHS does. We will continue to review the success of television advertising and other ongoing activity to recruit and retain staff.

The original television advertisement stated "The average full-time qualified nurse earns over £20,000 per annum". This figure was drawn from the Department of Health annual earnings surveys, which show that from April 1999 gross average annual earnings for qualified nurses working full-time in the NHS were around £20,700.

This figure includes allowances paid for working unsocial hours, but excludes earnings from overtime, earnings for the more senior clinical H and I grades, and nurses in management posts. The average basic salary for all full-time qualified nursing staff, after implementation of the April 2000 pay award is £19,500. Unsocial hours payments bring average earnings for full-time qualified nurses to over £20,000.

Fewer than 20 people have made representations about the advertising campaign. We also received representations from the ITC about the television advertisement. Departmental officials met with the ITC. The ITC accepted our statement was factually correct. To reflect the increase in nurses' pay arising from the 2000–01 pay settlement the wording was changed. This wording was agreed with the ITC. The agreed working was: "From April (2000) average annual earnings for full-time qualified nurses are over £21,000, including allowances".

Written Answers to Questions

Tuesday 9 May 2000

FOREIGN AND COMMONWEALTH AFFAIRS

Kosovo

Mr. Edwards: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the role of the United Nations in Kosovo. [121067]

Mr. Vaz *[holding answer 5 May 2000]:* The United Nations Mission in Kosovo (UNMIK) has the unenviable task of reconstructing a devastated province and reconciling a polarised population. To this end UNMIK's operations have divided up under four pillars, covering civil administration, humanitarian relief, democratic institution-building and reconstruction.

We fully support UNMIK's efforts to carry out its mandate and have provided UK personnel to assist in local government, 60 civilian police officers with a further 90 promised and £119 million in humanitarian relief and reconstruction aid.

Sierra Leone

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the situation in Sierra Leone. [121299]

Mr. Hain: I refer my hon. Friend to the answer given by my right hon. Friend the Foreign Secretary on 8 May 2000, *Official Report*, columns 518–29.

DEFENCE

Nuclear Test Veterans

Mr. Welsh: To ask the Secretary of State for Defence how many claims for compensation by British nuclear test veterans have been *(a)* made and *(b)* settled to date. [121304]

Dr. Moonie: My Department has recorded 144 claims for compensation from British nuclear test veterans. As there is no evidence of excess illness or mortality among British nuclear test veterans as a group which could be linked to their participation in the nuclear tests, no compensation claims from them have been settled. In any event, prior to May 1987, Service personnel were prevented from pursuing claims for compensation from the Ministry of Defence by section 10 of The Crown Proceedings Act 1947. The repeal of section 10 by the Crown Proceedings (Armed Forces) Act 1987 was not made retrospective and claims arising from injury or illness caused before the repeal are barred by law.

HOME DEPARTMENT

Dr. Harold Shipman

Mr. Pendry: To ask the Secretary of State for the Home Department what representations he has received from hon. Members regarding an inquest on the 23 alleged victims of Dr Shipman; and if he is minded to direct the Stockport coroner to hold such an inquest. [121461]

Mr. Straw: No representations have been made to me on this matter other than from my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry). Having regard to all the issues, including the difficult position for the relatives if the deaths were not investigated in public, I have agreed that inquests should take place and directions have been sent to the coroner accordingly. The directions give the coroner authority to hold inquests. However, the detailed handling arrangements are matters for the coroner to determine.

Radio (Emergency Services)

Mrs. Browning: To ask the Secretary of State for the Home Department what representations he has received from *(a)* other Government Departments, *(b)* the Fire Service, *(c)* the Ambulance Service and *(d)* the Police concerning the Radio Replacement Scheme. [121336]

Mr. Charles Clarke: I have received various representations from police forces, the Association of Police Authorities, individual Police Authorities and other interested organisations in England and Wales about the Public Safety Radio Communications Project (PSRCP). The project represents an important part of our commitment to ensure that the police have access to the modern facilities they need to play their key part in tackling crime and disorder and improving community safety. Concern has been expressed about the cost of the project. I recognise those concerns. Over the three year period starting from the 1999–2000 financial year, the police service will receive an additional £1.24 billion in central Government funding. The annual charges for the PSRC Service will be reduced by the £50 million that I obtained from the Capital Modernisation Fund, specifically for the PSRCP. Consideration of the financial pressures on forces will also be taken into account in the overall level of resources to be provided to the police service in future years as part of the year 2000 Spending Review.

I have received, also, various representations from the fire services about future radio communications and control room requirements, including views on cost and on participation in the PSRC Service. All fire authorities in England and Wales are now required to undertake Best Value reviews of their communications requirements in 2000–01. I am making available to fire authorities this week the results of a consultancy study to assist consideration of their future control room needs. This strongly confirms the benefits of a joined-up approach in exploring technology to create new possibilities for improving cost-effectiveness and service delivery. This will be followed by guidance on take up of the PSRC Service.

The PSRC Service represents a positive approach to options to radio replacement programs within the Ambulance Services. The NHS Executive is reviewing this.

Chinese Head of State (Visit)

Mr. Mackinlay: To ask the Secretary of State for the Home Department if he will make a statement on the conduct of the Metropolitan police in relation to protesters during the Chinese Head of State's visit in 1999. [121298]

Mr. Charles Clarke: The policing arrangements for the State Visit of the President of China were fully reviewed by the Metropolitan police after the visit, and a copy of the review placed in the Library.

Since that time, the Commissioner of Police of the Metropolis has accepted, in the context of court proceedings, that the removal of some flags and banners from protesters was unlawful.

EU Action Plan

Mr. Bercow: To ask the Secretary of State for the Home Department if he will make a statement on the role of Europol in co-operation with the Russian Federation authorities combating organised crime in the context of the EU Action Plan. [120851]

Mr. Charles Clarke: In its meeting on 27 March 2000, the Justice and Home Affairs Council approved the European Union Action Plan on common action for the Russian Federation on combating organised crime. In that meeting, the Council also adopted a Decision authorising the Director General of Europol to enter into negotiations on agreements with certain third states, including the Russian Federation, and non-European Union related bodies. The Government welcome this Council Decision which, in the context of the Action Plan, enables Europol to play a full part in supporting co-operation between the member states and the Russian Federation in combating the common threat from organised crime to mutual advantage.

Schengen Agreement

Mr. Bercow: To ask the Secretary of State for the Home Department if he will make a statement on Government policy on acceding to elements of Schengen in lieu of a third state agreement, as set out in the Council Decision of 27 March, 2000/C106/01; what elements of information may not be shared under the latter agreement; and what assessment he has made of the additional benefits from direct partial accession. [120850]

Mrs. Roche: The United Kingdom Government have applied to participate in the law enforcement and judicial co-operation aspects of the Schengen acquis, including the Schengen Information System (SIS), in order to enhance co-operation at European Union level in the fight against organised and international crime.

The purpose of the Council Decision referred to is a limited one: it authorises the Director of Europol to enter into negotiations on agreements with third States and non-European Union related bodies. The United Kingdom is, of course, already a full member of Europol.

The Decision does not cover the broader police and judicial co-operation arrangements provided for in the Schengen Convention, nor the opportunity to participate in the SIS.

Europol and the SIS were established for entirely different purposes: the Europol Convention specifically excludes exchanges of information between the two databases. The Government's application to participate in parts of the Schengen acquis is complementary to its existing participation in Europol.

Magistrates Courts

Mr. Hurst: To ask the Secretary of State for the Home Department if he will estimate the cost to the probation services in England and Wales consequent upon the closure of magistrates courts from 1 January 1995 to 31 December 1999. [121030]

Mr. Boateng: The information on which such estimates could be based is not held locally.

Asylum Seekers

Mr. Evans: To ask the Secretary of State for the Home Department how much his Department spent (i) directly and (ii) indirectly on asylum seekers in *(a)* 1995, *(b)* 1996, *(c)* 1997, *(d)* 1998 and *(e)* 1999; and what estimate has been made of expenditure in the year 2000. [119485]

Mr. Straw *[holding answer 17 April 2000]:* The following amounts have been directly spent on supporting asylum seekers. Expenditure is recorded by financial year and it is not possible to give figures for calendar years.

Direct Costs

£ million

Benefit	*1995–96*	*1996–97*	*1997–98*	*1998–99*	*1999–2000*
Home Office	—	—	—	—	537
Department of Social Security:					
Income Support and Jobseeker's Allowance	205	195	150	150	[1]—
Housing Benefit	205	195	145	125	—
Council Tax Benefit	10	10	10	10	—
Department of Health:					
Adults/Families	—	10	68	170	—
Children	—	3	2	20	52
Total (to nearest £ million)	420	413	375	475	590

[1] Home Office figures for 1999–2000 include the following amounts paid to the Department of Social Security for the cost of asylum support:
Income Support and Jobseeker's Allowance—£170 million
Housing Benefit—£135 million
Council Tax Benefit—£10 million
Note:
Figures may not sum due to rounding

The Department of Health did not incur costs of supporting asylum seekers before 1996–97, but from 1996–97 to 1998–99 was responsible for Special Grant payments to local authorities towards the cost of supporting asylum seekers. In 1999–2000, responsibility for grant payments for adult singles and families transferred to the Home Office, with responsibility for unaccompanied asylum-seeking children remaining with the Department of Health.

The Home Office also incurs other costs of dealing with asylum seekers, but these cannot be separated from the overall costs of the Immigration and Nationality Directorate. The following table shows the annual outturn for Immigration and Nationality Directorate, which includes the cost of dealing with asylum seekers. The budgeted amount for 2000–01 has yet to be confirmed.

Indirect Costs

£ million

Year	*Amount spent*
1995–96	199
1996–97	212
1997–98	215
1998–99	209
1999–2000	[1]260

[1] Forecast outturn

The Lord Chancellor's Department also incurs costs in dealing with asylum seekers, but these cannot be separated from the overall running costs of the Immigration Appellate Authority. The following table provides administration costs of the Immigration Appellate Authority, which includes the costs of dealing with asylum seekers but excludes accommodation recruitment and other capital expenses. The budget for 2000–01 has yet to be confirmed.

£ million

Year	*Amount spent*
1995–96	8.4
1996–97	11.4
1997–98	12.5
1998–99	14.1
1999–2000	16.1

The Department of Social Security estimates that between 1994 and 1999 the annual administrative cost for income support asylum seeker claims was in the region of £1 million. In 1999–2000, the estimated cost is in the region of £2 million.

The Department of Health is unable to quantify the indirect cost of asylum seekers as no data are collected for analysis.

The Department for Education and Employment does not collect information centrally about education, training or employment provision for asylum seekers or their dependants and cannot supply costs spent directly or indirectly from 1995.

The Department for the Environment, Transport and the Regions has no programme of expenditure on asylum seekers and indirect expenditure is not separately identifiable.

The number of asylum seekers in Northern Ireland is extremely small and any expenditure is, therefore, negligible.

TREASURY

Employment Tax Credits

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer, pursuant to his answer of 19 April 2000, *Official Report*, column 588W, on employment tax credits, what is the higher rate for couples. [120799]

Dawn Primarolo *[holding answer 4 May 2000]:* The rate for couples in the illustrative model of the employment tax credit for people without children is £49.50 a week. This is the same as the employment tax credit for people with children that is implied by the introduction of the integrated child credit, based on April 2001 rates of Working Families Tax Credit and Children's Tax Credit. Details of this illustrative model are set out in the table on page 14 of the Treasury paper "Tackling Poverty and Making Work Pay—Tax Credits for the 21st Century".

Tax (EU)

Mr. Redwood: To ask the Chancellor of the Exchequer what proposals are under negotiation in the EU for *(a)* Europe-wide taxes and *(b)* European limits and controls on national taxes. [120809]

Dawn Primarolo *[holding answer 5 May 2000]:* EC proposals for legislation are considered by the European Scrutiny Committee and Explanatory Memoranda concerning existing proposals on taxation are in the Library.

EU-UK Trade

Mr. Redwood: To ask the Chancellor of the Exchequer what proportion of United Kingdom exports and imports counted as being within the EU, consists of entrepot trade through Rotterdam and Amsterdam *(a)* to and *(b)* from non-EU countries. [120810]

Dawn Primarolo *[holding answer 5 May 2000]:* HM Customs and Excise are the Department responsible for collecting trade statistics on the movement of goods with other countries including EC member states.

Goods from non-EC destinations that transit other EC member states before clearing customs procedures for import in UK are recorded as non-EC movements for trade statistics purposes. Likewise, goods from non-EC destinations that transit other EC member states after clearing customs procedures for export in UK are recorded as non-EC movements.

Some trade reported as moving within the EC may have previously originated from, or be ultimately destined for, non-EC countries. However, under the Intrastat system these movements are not readily identifiable.

UK Companies Overseas (Bribes)

Dr. Cable: To ask the Chancellor of the Exchequer what steps the Inland Revenue takes to ensure that bribes paid by UK companies overseas are not treated as tax-deductible expenses. [121032]

Dawn Primarolo: Section 577A, Income and Corporation Taxes Act (ICTA) 1988 denies tax relief for any payment the making of which constitutes the commission of a criminal offence.

This effectively denies relief, inter alia, for any bribe which is contrary to the Prevention of Corruption Acts. There is also a general provision (section 577 ICTA) which denies tax relief for any form of business entertainment, hospitality or gift—so some payments which might be in a grey area might in any event be denied relief without the need to show that they were in any way corrupt payments.

As far as enforcement is concerned, the Inland Revenue examines a proportion of tax returns every year, to ensure that taxpayers pay the correct amount of tax. Most of the returns that are examined in detail are selected after a risk assessment, which identifies those cases where errors are most likely, and where the amount at stake is greatest. Tax inspectors are trained to discover evasion, avoidance and technical errors, by establishing the full facts and applying the correct interpretation of tax law. As part of this process they will, where appropriate, make inquiries about claims for expenditure, to ensure that they are allowed under tax law.

Children's Fund (Wales)

Ms Julie Morgan: To ask the Chancellor of the Exchequer what plans he has to distribute money from the Children's Fund in Wales; and what mechanisms will be used to distribute the fund. [119579]

Dawn Primarolo: The Children's Fund will be used to support voluntary sector projects providing local solutions to the problem of child poverty. These are devolved matters. Work on mechanisms for distributing money is currently focusing on England, but involves dialogue with the devolved administrations.

The question of resources for the Children's Fund, including any consequentials for the devolved administrations, is being considered as part of the current Spending Review. In the event of spending consequentials it would be for the Welsh Assembly to decide whether and how to establish a Children's Fund for Wales.

HEALTH

Smokers Helpline

Siobhain McDonagh: To ask the Secretary of State for Health how many calls were made to the new helpline for smokers between 10 December 1999 and 11 February 2000. [113837]

Yvette Cooper 70,480 calls were answered by the frontscreen service in the specified period. This includes hang-ups, hoaxes and trials, but does not include short-calls lost in the British Telecom system.

Siobhain McDonagh: To ask the Secretary of State for Health what has been the total expenditure on advertising the new helpline for smokers in the current year. [113838]

Yvette Cooper: The total sum of advertising spend on the new tobacco education campaign for the period 10 December 1999—31 March 2000 inclusive was £5,485,000. The breakdown is as follows:

	£
Ambient media	141,000
Billboards	1,242,000
TV	3,190,000
Press	397,000
Radio	515,000

The aim of the new campaign is to increase the intention to give up, provide support and encouragement for those who want to give up by communicating that many smokers want to give up and that they are not alone; that giving up is an ongoing and difficult process and that individual support is available in local areas and through the helpline.

Siobhain McDonagh: To ask the Secretary of State for Health what proportion of calls to the new helpline for smokers were answered by an automated system (IVR) during the period 10 December 1999 and 11 February 2000. [113839]

Yvette Cooper: During the specified period 40 per cent. of calls were answered by the IVR system and 60 per cent. were answered by live operators.

During the exceptional Millennium period (27 December 1999 to 3 January 2000) 58 per cent. of calls went to IVR and the rest to live operators.

If these exceptionally high figures for the Millennium period are taken out of the totals the proportion of IVR to live would be 26 per cent. IVR to 74 per cent. live for 10 December 1999 to 11 February 2000.

Mr. Barron: To ask the Secretary of State for Health what the total expenditure was on advertising the new helpline for smokers, between 10 December 1999 and the end of March 2000; and what the expenditure on the Quitline was for the equivalent period in the previous year. [115395]

Yvette Cooper: The total sum of advertising spend on the new tobacco education campaign for the period 10 December 1999 and up until the end of March 2000 is £5,485,000. The breakdown is as follows:

	£
Ambient media[1]	141,000
Billboards	1,242,000
TV	3,190,000
Press	397,000
Radio	515,000

[1]The term Ambient media is defined as non-traditional, outdoor media.

The total advertising spend for 1998–99 was £2,720,000, most of the campaign activity being concentrated in the December 1998 to February 1999 period.

The aim of the new campaign is to increase the intention to give up, provide support and encouragement for those who want to give up by communicating that many smokers want to give up and that they are not alone;

that giving up is an on-going and difficult process and that individual support is available in local areas and through the helpline.

Mr. Barron: To ask the Secretary of State for Health what proportion of calls to the new helpline for smokers were answered by an automated system (IVR) during the period 10 December 1999 to 11 March 2000 inclusive; and what was the proportion for calls to Quitline for the equivalent period in the previous year. [115394]

Yvette Cooper: 35 per cent. of calls were answered by the IVR system in the specified period. The proportion of calls reaching the automated Quitline service in the equivalent period in 1998–99 was 26 per cent.

If the exceptionally high figures for the Millennium period (27 December 1999 to 3 January 2000) are taken out of the totals the proportion of calls answered by IVR was 22 per cent.

Mr. Barron: To ask the Secretary of State for Health how many calls were made to the new helpline for smokers, between 10 December 1999 and 11 March 2000 inclusive; and how many calls were made to the Quitline, in the same period for the previous year. [115396]

Yvette Cooper: The 1999–2000 campaign was designed to motivate smokers towards a range of cessation options such as 'going it alone', seeking advice from a general practitioner or pharmacist or visiting a local cessation service, as well as telephoning the helpline or visiting the new campaign website.

Calls to the helplines funded by the Department were as follows:

10 December 1999 to 11 March 2000
0800 169 0 169: 83,451 (calls answered)
0800 00 22 00: 75,431 (calls answered)
Total: 158,882.

In addition, there were 231,891 hits to the website in that period.

10 December 1998 to 11 March 1999
175,827 calls were made to Quitline: 0800 00 22 00.

Griffiths Inquiry

Dr. Brand: To ask the Secretary of State for Health when the report of the independent inquiry into clinical trials in North Staffordshire, prepared last year by a panel chaired by Professor R. K. Griffiths, will be published. [120306]

Mr. Denham: The review of the research framework in North Staffordshire was published on 8 May 2000.

Rheumatoid Arthritis

Mr. Woolas: To ask the Secretary of State for Health what plans he has to make Etanercept available on the NHS for treatment of rheumatoid arthritis. [120655]

Ms Stuart: Etanercept will be available on the National Health Service as soon as the manufacturer launches the product in the United Kingdom.

Mr. Boswell: To ask the Secretary of State for Health when he will have completed the licensing process for the use of Remicade in rheumatoid arthritis; and if he will be referring this to the National Institute for Clinical Excellence. [120831]

Mr. Denham *[holding answer 8 May 2000]:* Remicade has been authorised for the treatment of Crohn's disease. The authorisation was obtained through the European Centralised Procedure which is co-ordinated by the European Medicines Evaluation Agency. If the marketing authorisation holder applies for a new clinical indication for the treatment of rheumatoid arthritis, the Committee for Proprietary Medicinal Products at the European Medicines Evaluation Agency will review the available data and transmit its scientific opinion to the European Commission. European marketing authorisations are published in the form of a commission Decision in the official Journal of the European Communities. Presently, remicade does not form part of the National Institute for Clinical Excellence's (NICE) work programme for this year. However, NICE's work programme is continually being re-assessed and a number of possible additional topics for appraisal by NICE during the year 2000–01 are currently being considered. An announcement will be made shortly.

Committee for Proprietary Medicinal Products

Mr. Gale: To ask the Secretary of State for Health what reports he has received of the commercial interests of the members of the Committee for Proprietary Medicinal Products. [121107]

Ms Stuart *[holding answer 8 May 2000]:* The Committee for Proprietary Medicinal Products is a European committee for which I have no responsibility. I cannot, therefore, answer this question.

Committee on Safety of Medicines

Mr. Gale: To ask the Secretary of State for Health if he will make inquiries concerning the commercial interests of all members of the Committee on Safety of Medicines; and if he will publish the results of those inquiries. [121106]

Ms Stuart *[holding answer 8 May 2000]:* The commercial interests of all members of the Medicines Act Advisory Bodies, of which the Committee on Safety of Medicines (CSM) is one, are published annually in the "Medicines Act 1968 Advisory Bodies—Annual Reports", copies of which are available in the Library. The 1999 report is due to be published in July this year. The latest record of CSM interests in the pharmaceutical industry—correct at 5 May 2000—has been placed in the Library.

Ozone-friendly Refrigerants

Mr. Derek Twigg: To ask the Secretary of State for Health what his policy is on the use of ozone-friendly refrigerants in air conditioning in NHS premises; in and what guidance is given on this in respect of purchasing new equipment. [120417]

Ms Stuart *[holding answer 8 May 2000]:* It is the Department's policy to achieve best environmental practice and it is committed to the efficient use of energy and resources. This includes taking action to reduce/minimise pollution, or the risk of pollution, including ozone-depleting substances and greenhouse gases.

National Health Service Estates—an executive agency of the Department—issued guidance "Model Engineering Specifications" that includes design notes C4, "Mechanical Ventilation and Air Conditioning Systems" and C10, "Refrigeration". This guides NHS bodies and encourages designers to use ozone-friendly refrigerants. NHS bodies are advised to take these matters into account when making their purchasing decisions.

TRADE AND INDUSTRY

Coal Industry (BBC)

Mr. Beith: To ask the Secretary of State for Trade and Industry what information about his decision to pay subsidies to the coal industry was given to the BBC by *(a)* Ministers, *(b)* special advisers and *(c)* officials in his Department before Monday 17 April. [121050]

Mr. Byers: The Department maintains regular contact with the BBC on a range of issues.

Staff Redeployment

Dr. Cable: To ask the Secretary of State for Trade and Industry if he will make a statement on the reasons for the recent redeployment from his Department's energy policy division of *(a)* Mr. Mike Atkinson, *(b)* Mr. Michael Orig, *(c)* Mr. Alan Wright and *(d)* Mr. Jonathan Green. [121047]

Mrs. Liddell: As is normal practice these moves were decided under the authority of the Permanent Secretary, as part of the Department's career management processes.

Minimum Wage

Mr. Cox: To ask the Secretary of State for Trade and Industry how many prosecutions there have been to date for the non-payment by a company to their workforce of the national minimum wage. [121123]

Mr. Alan Johnson *[holding answer 5 May 2000]:* There have been no criminal prosecutions under section 31 of the National Minimum Wage Act 1999 since it came into force 13 months ago.

This is because the Act also contains a number of provisions empowering enforcement officers to take civil action against non-paying employers and the enforcement body will always use these in the first instance. However, there will be criminal prosecutions where the enforcement body considers them necessary.

Spirometry Testing

Mr. Cummings: To ask the Secretary of State for Trade and Industry how many test centres have been established for claimants for compensation for chronic bronchitis and emphysema; where they are; and when he expects all planned test centres to be in operation. [120400]

Mrs. Liddell: Spirometry testing has been conducted at 36 centres at Barnsley, Blackpool, Bolsover, Bristol, Cannock, Cardiff, Chesterfield, Coventry, Deal, Durham, Drongon, Edinburgh, Glasgow, Hessle, Huddersfield, Leeds, Leicester, Lochore, Mansfield, Mexborough, Mountain Ash, Newcastle, Newport, Nottingham, Oxford, Pontefract, Plymouth, Salford, Sheffield, South Rislip, Stoke, Swansea, Whitehaven, Wigan, Wirral and Wrexham. In addition to the 46,000 or so spirometry assessments carried at these centres, the Department has also assessed over 3,000 claimants in their homes.

The centres in Barnsley, Bristol, Cannock, Chesterfield, Coventry, Durham, Edinburgh, Glasgow, Huddersfield, Leeds, Lochore, Mansfield, Mexborough, Mountain Ash, Newcastle, Newport, Nottingham, Pontefract, Sheffield, Stoke, Swansea, Wigan and Wrexham have now been fully adapted for the more detailed medical requirements of the main Medical Assessment Process (MAP). There are also new cantres in Ayr, Enfield and Manchester. In addition the spirometry centre in Deal will be adapted shortly. The need for further centres will be kept under review.

Coal

Mr. Mitchell: To ask the Secretary of State for Trade and Industry if he will list in respect of *(a)* deep-mined and *(b)* open-cast coal the tonnages of coal produced in the latest year for which figures are available for each member state of the European Union, together with the amounts of subsidy provided; and if he will list the relevant articles of European Union treaties and relevant regulations or directives relating to limits on non-commercial support for the mining or marketing of coal. [120645]

Mrs. Liddell: I have no information on the division between deep-mined coal and opencast coal produced in other member states. Total hard coal production in the EU in 1999 was as follows:

Germany 44 million tonnes, UK 36 million tonnes (21 million deep-mined and 15 million opencast), Spain 17 million tonnes and France 4.5 million tonnes.

The last year for which figures are available for the amount of subsidy provided is 1997. In that year Germany produced 51 million tonnes with authorised operating aid of ECU 4,919.1 million. The UK produced 47 million tonnes (30.3 million deep-mined and 16.7 million open cast) with no operating aid. Spain produced 17.5 million tonnes with authorised operating aid of ECU 704.5 million. France produced 5 million tonnes of hard coal in 1997, but we have no information on the amount of operating aid paid.

Issues relating to the production of coal are covered by the Treaty establishing the European Coal and Steel Community, which is also known as the Treaty of Paris. State aid is prohibited in general terms by Article 4 of that Treaty but Decision 3632/93/ECSC, which is made under Article 95, permits such aid in the limited circumstances detailed in the Decision which include prior Commission approval.

Mr. Gibb: To ask the Secretary of State for Trade and Industry if he will provide an analysis of how the figure for state aid for the coal industry was derived. [120111]

Mrs. Liddell: As my right hon. Friend the Secretary of State for Trade and Industry indicated in his statement to the House on 17 April 2000, *Official Report*, columns 697–99, the Government are exploring with the European Commission how state aid might be offered to help the coal industry through this period of transition. We will also be consulting with interested parties on the precise structure of the state aid scheme to be put to the European Commission.

The amount of aid paid will depend on the outcome of negotiations with the Commission and coal producers as well as market conditions over the next two years. It is too soon to make any detailed analysis of the costs. I have said that I do not rule out a figure as high as £100 million.

Mr. Gibb: To ask the Secretary of State for Trade and Industry if he will list the occasions on which he has discussed with the European Commission the potential for state aid to the coal industry. [120114]

Mrs. Liddell: I have discussed the potential for state aid to the coal industry with Commissioner de Palacio. Officials in London and Brussels have discussed the issue with the Commission services. My right hon. Friend the Secretary of State for Trade and Industry has discussed the matter with Commissioner Monti.

Mr. Gibb: To ask the Secretary of State for Trade and Industry which interested parties he will be consulting regarding the proposed state aid to the coal industry; and by when the consultation process will be completed. [120112]

Mrs. Liddell: My officials will discuss the proposed state aid to the coal industry with major coal producers and coal production trade associations, as well as coal users and traders. This informal consultation process will take place during May this year. Any interested parties should contact David Fielder on 020 7215 5593 or write to the Coal Directorate at Room UG23, 1 Victoria Street, London, SW1H 0ET. We will, of course, also be consulting the European Commission prior to submitting a formal notification of aid.

Mr. Gibb: To ask the Secretary of State for Trade and Industry when he expects the European Commission to reach a decision on the legality of the proposed state aid to the coal industry. [120113]

Mrs. Liddell: The Government will be discussing a proposed state aid scheme for the coal industry with the European Commission and the coal industry over coming weeks. The Commission has three months from the date on which we submit a formal notification of aid in which to reach a decision. As was said to the House on 17 April 2000, *Official Report*, columns 697–99, we hope to be making the first payments under the scheme during this financial year.

Regulations

Mrs. Browning: To ask the Secretary of State for Trade and Industry if he plans to adopt the Better Regulation Task Force recommendation of a minimum of three months consultation before regulations are laid before Parliament. [121338]

Mr. Byers: We are presently considering the Task Force's recommendations.

Part-time Work Directive

Mrs. Browning: To ask the Secretary of State for Trade and Industry when he will publish guidance on the part-time work directive. [121331]

Mr. Byers: Guidance on the part-time work directive has already been published.

Mrs. Browning: To ask the Secretary of State for Trade and Industry what plans he has to widen the scope of the part-time work directive. [121330]

Mr. Byers: Our proposals were laid before Parliament on 3 May and we have no plans to widen their scope.

Fixed-term Contracts

Mrs. Browning: To ask the Secretary of State for Trade and Industry when he plans to consult on fixed-term contracts. [121332]

Mr. Byers: The fixed-term work directive was agreed on 28 June 1999 and is due to be implemented in the UK by 10 July 2001. The Government plan to consult on their proposals in order to meet this deadline.

Small Business Council

Mrs. Browning: To ask the Secretary of State for Trade and Industry (1) if he will list the business qualifications and experience required for the post of Chairman of the Small Business Council; [121334]

(2) if he will set out the job specification for the Chairman of the Small Business Council. [121335]

Mr. Byers: I refer to the DTI news release of 7 March in which my hon. Friend the Minister of State for Small Business and E-Commerce announced the appointment of William Sargent as the first Chair of the Small Business Council and made clear that his experience makes him well suited for the post.

BNFL

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry what communications he received about the BNFL Safety Action Plan between 18 February and 18 April from British Nuclear Fuels. [120042]

Mrs. Liddell: I did not receive communications from BNFL on their proposed responses to the HSE reports between 18 February and 18 April.

Dr. Jack Cunningham: To ask the Secretary of State for Trade and Industry what appointments of non-executive directors to the Board of British Nuclear Fuels Limited have not been made under the terms of the Code and Guidance of the Commissioner for Public Appointments; and if he will make a statement. [115995]

Mrs. Liddell *[holding answer 27 March 2000]:* I refer my right hon. Friend to the answer I gave to him on 20 March 2000, *Official Report*, column 412W. I am advised that there is one matter concerning the change of status from executive to non-executive director of one director, currently on a short-term appointment, about which my officials are in contact with the Office of the Commissioner of Public Appointments. Unrelated to that matter, however, the company has announced that the director concerned will be leaving the Board at the end of August upon expiry of the term of his appointment.

LORD CHANCELLOR'S DEPARTMENT

Magistrates Courts

Mr. Hurst: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on the costs of administering the magistrates courts in England and Wales in each year from 1995 to 1999. [R] [121024]

Jane Kennedy: The gross revenue costs of administering the magistrates courts are as follows:

Year	*£ million*
1995–96	330
1996–97	330
1997–98	325
1998–99	328
1999–2000	[1]333

[1] Projected

INTERNATIONAL DEVELOPMENT

Aid

Dr. Tonge: To ask the Secretary of State for International Development what plans she has to assess the effectiveness of provision of long-term development aid channelled through non-governmental organisations to countries in conflict. [120764]

Mr. Foulkes: None.

EDUCATION AND EMPLOYMENT

"Ingredients for Success"

Mr. Robert Jackson: To ask the Secretary of State for Education and Employment if he will list those who responded to the consultation exercise, "Ingredients for Success". [119464]

Jacqui Smith *[holding answer 20 April 2000]:* We received and took into account 181 representations in response to "Ingredients for Success". About a quarter of the responses came from nutritionists, about a fifth from local education authorities, and about a further fifth from representative and professional bodies. The remainder came from caterers, school staff, food manufacturers and suppliers, and others (charities and individuals). I will write to the hon. Member with a summary of responses, together with a list of those who responded.

Correspondence

Mr. McLoughlin: To ask the Secretary of State for Education and Employment when the hon. Member for West Derbyshire can expect to receive a reply to the letter he sent on 21 February about Meadows Primary School. [120679]

Ms Hodge: A reply was sent to the hon. Member on 27 March 2000.

Specialist Staff

Mr. Clappison: To ask the Secretary of State for Education and Employment what assessment he has made of the provision of specialist staff through Ethnic Minority and Travellers Educational Achievement Grant funding. [121253]

Jacqui Smith: The Ethnic Minority and Traveller Achievement Grant (EMTAG) is designed to raise standards for those ethnic minority and traveller pupils at risk of under-achieving and to meet the particular needs of pupils for whom English is an additional language.

We are making available more money than ever before as part of our drive to raise the academic achievements of those ethnic minority groups at risk of under-achieving. For 2000–01, £162.5 million will be available to local education authorities and schools to improve the attainment of ethnic minority, traveller and refugee pupils—an increase of 7 per cent. on the amount available for these purposes in 1999–2000.

A key element of the grant programme is that the funding should largely go direct to schools, so that head teachers can use it where it is most needed—to employ more teachers and teaching assistants and to work with their local communities. Specialist teachers, bilingual assistants and other classroom assistants supported through the grant have a vital role to play in raising standards for ethnic minority pupils. We expect that, depending on local needs, a large proportion of the grant will be spent on teachers and classroom assistants. As a requirement of the grant, local education authorities are required to provide information about their plans for spending the grant and details of actual expenditure. We will also monitor the numbers of specialist staff employed by EMTAG through an independent evaluation of the grant.

Computers for Teachers Initiative

Mr. Clappison: To ask the Secretary of State for Education and Employment how many teachers have received computers as a result of his Computers for Teachers initiative. [121252]

Mr. Wills: The deadline for teachers' purchase of computers under this scheme was 30 April 2000. To date, some 15,000 applications for subsidy have been received following purchase of computers by teachers. These are being processed, and more are expected. A final figure will be published later this year.

Grant-maintained Schools

Mr. Clappison: To ask the Secretary of State for Education and Employment, pursuant to his answer of 2 May 2000, *Official Report*, column 92W, what was the pupil:teacher ratio in *(a)* former grant-maintained primary schools and *(b)* former grant-maintained secondary schools in each of the last five years. [121270]

Ms Estelle Morris: The available information on pupil:teacher ratios in maintained primary and secondary schools is shown in the following table.

The Department is currently collecting information on pupil:teacher ratios in all schools for January 2000. Provisional national estimates for maintained nursery, primary and secondary schools were published in

Statistical First Release "Pupil: Teacher ratios in maintained schools in England (14/2000)" on 12 April 2000, a copy of which is available from the Library. Final data will be published in a statistical volume in September.

Pupil:teacher ratios in maintained primary and secondary schools: 1995–99—Position as at January

England

Year	Number of schools	Full-time equivalent pupils [2]	Full-time equivalent qualified teachers [3]	Pupil Teacher ratio [4]
All maintained primary schools [1]				
1999	18,234	4,300,563	182,646	23.5
1998	18,312	4,300,388	181,394	23.7
1997	18,392	4,271,131	182,442	23.4
1996	18,480	4,232,514	182,626	23.2
1995	18,551	4,159,021	181,910	22.9
All maintained secondary schools [1]				
1999	3,560	3,121,901	183,578	17.0
1998	3,567	3,072,822	181,853	16.9
1997	3,569	3,041,584	181,692	16.7
1996	3,594	3,010,416	180,868	16.6
1995	3,614	2,992,857	181,445	16.5
Grant-maintained primary schools				
1999	511	142,478	6,056	23.5
1998	508	139,619	5,947	23.5
1997	483	131,712	5,656	23.3
1996	448	120,319	5,214	23.1
1995	410	107,803	4,731	22.8
Grant maintained secondary schools				
1999	668	641,774	38,514	16.7
1998	667	625,781	38,030	16.5
1997	652	602,936	36,838	16.4
1996	642	579,924	35,493	16.3
1997	622	553,007	34,154	16.2

[1] Includes local education authority (LEA) maintained and grant-maintained schools.
[2] Includes all full-time pupils and full-time equivalent of part time pupils (each part-time pupil is treated as 0.5 full-time equivalents).
[3] Includes all full-time qualified teachers and full-time equivalent of part time qualified teachers (the directed hours of part-time teachers are converted to full-time equivalent teacher numbers by dividing by 32.5)
[4] The Pupil: Teacher ratio relates the full-time equivalent number of pupils to the full-time equivalent number of qualified teachers.

Key Stage 2

Mr. Wyatt: To ask the Secretary of State for Education and Employment what reliability data are available for the end of Key Stage 2 tests; and for what reason they are not published. [121091]

Ms Estelle Morris: It is unclear what reliability data are referred to in this question.

Test reliability relates to how a test question is answered by children or pupils and how consistently it is interpreted in the way anticipated. This aspect of the test question performance is dealt with by means of pre-testing the questions—a process which occurs twice during the life-cycle of a test question. The Government are satisfied that the quality control procedures for the test development and the marking process is thorough and rigorous. This was reflected in the findings of the Rose Review, an independent cross-party panel set up last year to consider the test development and assessment arrangements at Key Stage 2. The data are not published as they form part of the overall process of judging how well a question performs—which takes into account other, judgmental factors.

Reliability in marking relates to the construction of the mark scheme and how markers interpret the answers to questions. Absolute reliability is achieved when any marker, trained in the use of a markscheme, marks a question and gives it the same mark as any other marker who may mark the same question. Marker training is intended to ensure that marker reliability is as high as possible. Data are collected from markers and analysed each year in relation to the degree of variation from absolute reliability which occurs. The data are used to manage the marking process and remove any markers which may not be performing satisfactorily. As the data relates to individual teachers, they remain confidential.

The Qualifications and Curriculum Authority publish the findings from their annual evaluation of the test administration procedure.

Mr. Wyatt: To ask the Secretary of State for Education and Employment how many end of Key Stage 2 English test papers were returned for a review of marking in each of the past four years. [121089]

Ms Estelle Morris: Data are available only for the past three years:

1999: 4,974
1998: 4,095
1997: 1,881.

Bearing in mind the cohort sizes of approximately 600,000 pupils, these figures represent a very small percentage.

Mr. Wyatt: To ask the Secretary of State for Education and Employment how many end of Key Stage 2 English test papers were returned for a review of marking last year; and what proportion of these resulted in a change of National Curriculum level. [121088]

Ms Estelle Morris: In 1999, 4,974 end of Key Stage 2 English papers were returned for a review of marking. This figure represents approximately 0.8 per cent. of the total number of English papers taken nationally.

45 per cent. of these reviews resulted in a change of National Curriculum level.

Age Discrimination

Mr. Willis: To ask the Secretary of State for Education and Employment what plans he has to ensure that his Department avoids operating policies which result in age discrimination. [121087]

Ms Hodge: We are committed to eliminating age discrimination from the Department's policies and practices in line with the "Code of Practice on Age Diversity in Employment", published in June 1999. We are conducting a full review of all our personnel procedures to ensure they are consistent with the standards set out in the code.

In addition, in line with our commitments to equality of opportunity, the Department already recruits and promotes people on the basis of their competence to do the job without reference to their age through full fair and open competitions; encourages all staff to take advantage

of learning and development opportunities; and has given its staff greater flexibility to choose when they retire between the ages of 60 and 65.

As part of the Department's commitment to continuous improvement, we are currently carrying out a review of the way we ensure that equal opportunities issues, including age, are taken into account in the development of all our policies.

GCSE Courses

Mr. Willis: To ask the Secretary of State for Education and Employment what plans he has to abolish the agricultural, horticultural and nautical studies GCSE courses offered by the NEAB. [121086]

Mr. Wicks: The Qualifications and Curriculum Authority (QCA) is currently working with the awarding bodies to develop advice on the list of approved GCSE titles to be offered from 2001. QCA is seeking the views of interested organisations before submitting final recommendations. No decisions have been reached at this stage. There is a wide range of vocationally-related qualifications in agriculture and horticulture already available, including GNVQs in land and environment. We shall ensure that there continues to be an appropriate range of qualifications in all three areas in the future for young people.

Post-16 Education

Mr. Clappison: To ask the Secretary of State for Education and Employment what was the staying-on rate for post-16 years education in respect of pupils from schools *(a)* with and *(b)* without sixth forms in each of the last five years. [120917]

Mr. Wicks: The Department does not collect administrative data on 16-year-olds in education by the type of school attended the previous year. However, estimates of the proportion of 16-year-olds in full-time education in the Spring following Year 11, with a breakdown by school type, are available from the Youth Cohort Study. Estimates for the latest years are given in the following table.

Proportion of 16-year-olds in full-time education [1] in maintained schools at Year 11, England

Percentage

	1994	*1996*	*1998*
School without sixth form	64	65	62
School with sixth form	73	73	71

[1] The figures do not include those studying part-time.

Source:
Youth Cohort Study, Cohorts 7, 8, 9

Mr. Boswell: To ask the Secretary of State for Education and Employment when he will publish the latest updated timetable for the transition plan for changes in delivery of post-16 years education. [120829]

Mr. Wicks *[holding answer 8 May 2000]:* We have been working with partner organisations to update the National Transition Plan. The next version will reflect important announcements we made at the end of March on handling the staffing implications of "Learning to Succeed" and the second Funding Consultation Documents which are being issued this week. We intend to publish the next version of the Transition Plan within the next month.

Mr. Clappison: To ask the Secretary of State for Education and Employment if he will list the 10 local education authorities with *(a)* the highest and *(b)* the lowest rate of pupils staying on for post-16 years education. [120918]

Mr. Wicks: We are committed to a step change in participation and attainment rates for 16 and 17-year-olds. The Learning and Skills Bill sets out reforms in post-16 education and training which we believe will make a significant impact. We have announced details of the new Connexions Service which will provide advice, guidance, information and support service for all 13 to 19-year-olds, whatever their needs and circumstances. Five Connexions Service pilots were announced on 3 February 2000 evaluating various aspects of the new service.

The information requested on participation in education by LEA is contained in the following table. There are no data available on participation in Government Supported Training by LEA but there is evidence that higher rates of training by TEC areas compensate for low levels of full-time education.

Participation in full-time education of 16-year-olds by LEA, England, 1997–98

LEA	*Rate*
10 Highest	
Rutland	94
Kingston upon Thames	93
Sutton	93
Redbridge	88
Bath and NE Somerset	87
Bournemouth	87
Hertfordshire	85
Bromley	84
Barnet	83
Hounslow	83
10 Lowest	
Derby	56
Sheffield	56
Sandwell	54
Barnsley	52
City of Kingston upon Hull	52
South Tyneside	52
Sunderland	52
Knowsley	51
Salford	49
Stoke on Trent	49

Source:
Statistical Bulletin 14/99: Participation in education and training by young people aged 16 and 17 in each local area and region, England, 1993–94 to 1997–98

A-levels

Mr. Clappison: To ask the Secretary of State for Education and Employment (1) what proportion of candidates aged 18 years or under achieved three or more grade As at A-level in *(a)* sixth forms in independent schools, *(b)* sixth forms in maintained schools, *(c)* sixth form colleges and *(d)* other further education colleges in the most recent year for which figures are available; [120913]

(2) what was the total average points score for candidates aged 18 years or under attempting at least one GCE A-level from *(a)* school sixth forms in the maintained and independent sectors, *(b)* sixth form colleges and *(c)* other further education colleges in the last year for which figures are available. [120919]

Mr. Wicks: The proportion of candidates aged 18 years or under that achieved three or more grade As at A-level in England in 1998–99 was:

(a) 17 per cent. in sixth forms in independent schools

(b) 6 per cent. in sixth forms in maintained schools

(c) 5 per cent. in sixth form colleges

(d) 2 per cent. in other further education colleges.

The total average points score for candidates aged 18 or under attempting at least one GCE A-level in England in 1998–99 was:

(a) 17.9 in school sixth forms in the maintained and independent sectors—22.1 for independent schools and 16.6 for maintained schools

(b) 16.3 in sixth form colleges

(c) 9.7 in other further education colleges.

League Cricket

Mr. Bob Russell: To ask the Secretary of State for Education and Employment if he will meet representatives of the Lancashire Cricket Board to discuss the regulations relating to the employment of overseas professionals in league cricket. [121266]

Ms Hodge: Due to diary commitments, I am unable to meet representatives from the Board. I have arranged for representatives from the Department's Overseas Labour Service to contact the Board to discuss their concerns.

Mr. Bob Russell: To ask the Secretary of State for Education and Employment what representations he has received on the employment of overseas professionals in league cricket; and if he will make a statement. [121265]

Ms Hodge: I have received a number of letters from Members of Parliament whose constituencies are in Lancashire. The Parliamentary Under-Secretary of State with responsibility for work permit matters and I have given detailed replies explaining the current criteria for the employment of overseas cricketers which were agreed after consultation with the cricketing governing bodies who are responsible for the development of the game in the United Kingdom.

Mr. Bob Russell: To ask the Secretary of State for Education and Employment what regulations have been introduced in the past five years which change the existing arrangements whereby overseas professionals can be employed in league cricket; and if he will make a statement. [121264]

Ms Hodge: In 1993 criteria were introduced which required an overseas cricketer to have played in at least one first class match, as defined by the International Cricket Council (ICC), to qualify for issue of a work permit to play in league cricket.

This requirement remained until August 1998 when, after consultations with the English and Wales Cricket Board, the Scottish Cricket Union, and representatives of the League Cricket Conference, the criteria were changed. In order to qualify for a permit a player must have played in a minimum of one test match for his country, or at least three one-day internationals, or at least five first class matches, as defined by the ICC. It was also decided that discretion would be exercised when considering applications for former test match players who did not meet this criteria.

Work permit arrangements for cricket players are reviewed annually between the Department's Overseas Labour Service and the relevant cricket governing bodies.

Gifted Children

Mr. Clappison: To ask the Secretary of State for Education and Employment what progress has been made with plans for gifted children to sit maths GCSE early under the Maths 2000 project. [121251]

Ms Estelle Morris: The National Primary Trust is developing Advanced Maths Centres to enable gifted pupils to take GCSE Mathematics in Year 6, following an out of school hours learning programme. The Trust is currently negotiating with 23 Excellence in Cities partnerships with a view to establishing 10 to 15 centres. Each would cater initially for up to 40 pupils from schools within Excellence in Cities areas. This initial cohort would take GCSE examinations in Summer 2001.

Deaf and Blind Children

Mr. Willis: To ask the Secretary of State for Education and Employment what additional resources, following the recent Budget, he has allocated to local education authorities to support peripatetic teachers of the deaf and blind who support children in mainstream classes. [121329]

Ms Estelle Morris: All schools will be free to use the £290 million extra funding announced in the budget as they see fit. It will therefore be open to them to allocate some of the extra funding to employ peripatetic teachers of the deaf and blind, where they have children who would benefit from such support. Funding is also available under Standards Fund grant 18 to support the training and development of teachers of deaf and blind pupils.

"News Update"

Mr. Willis: To ask the Secretary of State for Education and Employment what was the cost of *(a)* preparation, publication and printing and *(b)* postage and distribution of "News Update" from his Department; how many copies have been printed; and to whom they have been distributed, in each year since it commenced publication. [121327]

Mr. Wicks: "News Update" is produced five times a year. Production costs on average £1,300 per issue, including printing. The print run is 3,500 per issue. Since the first issue in November 1998, the total production costs have been £11,700.

"News Update" is distributed to MPs, opposition front-bench spokespersons in the House of Lords, Local Education Authority Chairs and Chief Executives, Trade Union General Secretaries, TEC Chief Executives and internally to senior staff at the DfEE and the Employment Service. Much of the distribution is through the DfEE's internal mail network without quantifiable cost. External postage amounts to about £80 per issue.

Higher Education

Mr. Boswell: To ask the Secretary of State for Education and Employment what institutions are currently designated under section 28 of the Further and Higher Education Act 1992; and which of these have *(a)* been designated and *(b)* have had their designation withdrawn during the last three years. [120830]

Mr. Wicks *[holding answer 8 May 2000]:* There are currently 32 designated colleges under section 28 of the Further and Higher Education Act 1992. Of these, 19 are designated under subsection 28(2)(a) as former voluntary aided schools and the remaining 13 colleges were designated under subsections 28(2)(b) and 28(2)(c) and are generally referred to as "specialist designated".

There have been no new designations since the establishment of the FE sector on 1 April 1993. Three designated colleges have merged since then with other colleges: St. Phillip's Roman Catholic Sixth Form College (now part of South Birmingham College) on 31 August 1995; National Sea Training College (now part of North West Kent College of Technology) on 25 October 1996; and De La Salle College (now part of Pendleton College) on 7 February 1997.

The full list of designated colleges is as follows:

Aquinas College, Stockport
Cardinal Newman College, Preston
Carmel College, St. Helens
Christ the King Sixth Form College, Lewisham
College of Richard Collyer in Horsham, Horsham
Holy Cross College, Bury
King Edward VI College, Nuneaton
King Edward VI College, Stourbridge
Loreto College, Manchester
Ludlow College, Ludlow
Notre Dame Sixth Form College, Leeds
St. Brendan's Sixth Form College, Bristol
St. Charles Catholic Sixth Form College, London
St. Dominic's Sixth Form College, Harrow-on-the-Hill
St. Francis Xavier Sixth Form College, London
St. John Rigby Roman Catholic Sixth Form College, Wigan
St. Mary's College, Blackburn
St. Mary's RC Sixth Form College, Middlesbrough
Xaverian College, Manchester
City Literary Institute, London
Cooperative College, Loughborough
Cordwainers College, Hackney
Fircroft College of Adult Education, Selly Oak
Hillcroft College, Surbiton
Marine Society College of the Sea, London
Mary Ward Centre, London
Morley College, London
Northern College for Residential Adult Education, Barnsley
Plater College, Oxford
Ruskin College, Oxford
Worker's Educational Association, London
Working Men's College, London.

Mr. Boswell: To ask the Secretary of State for Education and Employment how many extra full-time places in higher education have been created in each of the last five years. [120834]

Mr. Wicks *[holding answer 8 May 2000]:* The available information is given in the table. Plans which distinguish between full and part-time places are available only from the academic year 1999–2000.

Publicly funded higher education places in England [1]

FTEs in thousands

Financial year	*Planned places*	*Extra funded places (or reduction)*
1994–95	941	—
1995–96	961	20
1996–97	1,003	[2]43
1997–98	1,001	(2)
1998–99	1,023	22
1999–2000	1,035	12

[1] Includes full and part-time, undergraduate and postgraduate students on the basis of full-time equivalents (FTEs). Places shown are those funded through the Higher Education Funding Council for England (HEFCE) or the Teacher Training Agency (TTA), and exclude those in further education colleges funded by the Further Education Funding Council (FEFC).

[2] 1996 plans included an additional 28,000 mainstreamed continuing education places, which had previously not been funded.

Pupil Subsidies (Hardship)

Mr. Gerald Howarth: To ask the Secretary of State for Education and Employment what was the cost of *(a)* free school meals and *(b)* clothing grants and other subsidies for children attending maintained schools in (i) 1970, (ii) 1980 and (iii) 1999; and if he will estimate how many children in receipt of such benefits came from broken homes. [119771]

Jacqui Smith: The Department does not collect this information. However, using data on school meals take-up, we estimate that the cost of providing free school meals in England in the 1999–2000 financial year was over £300 million. The Department did not collect statistics on the take-up of free school meals before 1989, so we cannot estimate their cost in 1970 and 1980. Under education legislation, local education authorities and schools must offer free school meals to those pupils whose parents receive income support or income-based Jobseeker's Allowance. We do not collect data on the numbers of eligible pupils from broken homes.

Local education authorities have discretionary powers to offer clothing grants and other miscellaneous subsidies to children in cases of hardship. It is for each authority to set its own eligibility criteria for grant, in the light of local needs and circumstances. The Department does not collect data on these grants.

Performance and Assessment

Mr. Hilary Benn: To ask the Secretary of State for Education and Employment what assessment he has made of the recent research by David Jesson of the Centre for Performance Evaluation and Resource Management at the University of York; and if he will make a statement. [119922]

Jacqui Smith: An analysis by the Department's Analytical Services has shown that, broadly speaking on average points scores, the most able 25 per cent. of pupils achieved the same result in selective and non-selective schools.

David Jesson's research is a further contribution to this debate.

Special Schools

Mrs. Curtis-Thomas: To ask the Secretary of State for Education and Employment how many *(a)* primary and *(b)* secondary special schools have closed since 1995 in each local education authority. [119539]

Jacqui Smith *[holding answer 17 April 2000]:* The table sets out the number of maintained special schools which have closed in each local education authority area since 1995. It does not include those authorities where no such closures have taken place. It includes closures which have been approved but which have not yet taken place. But the closure of some special schools is usually followed by the opening of others, or by the establishing of special units within mainstream schools.

While there are some special schools which cater for pupils wholly of primary school age, or wholly of secondary school age, there are many others which cover both phases, so it is not possible to split the figures between primary and secondary.

Table of local authorities showing number of special schools approved for closure or closed since 1995

Local education authority	*Number*
Avon	1
Barking	3
Barnet	1
Barnsley	3
Bedfordshire	1
Birmingham	5
Blackburn	2
Bolton	2
Bradford	1
Bristol	2
Bromley	1
Bury	1
Cambridgeshire	2
Camden	4
Cheshire	1
Derbyshire	4
Durham	8
Essex	5
Gateshead	4
Gloucestershire	4
Hackney	1
Hampshire	2
Haringey	1
Harrow	2
Hertfordshire	4
Islington	1
Kingston upon Hull	2
Kirklees	1
Knowsley	2
Lambeth	4
Lancashire	3
Leeds	3
Lewisham	1
Liverpool	11
Manchester	2
Merton	1
Newcastle upon Tyne	10
Newham	6
North Lincolnshire	2
North Somerset	2
Northumberland	2
Nottingham City	7
Oldham	3
Oxfordshire	2
Peterborough	1
Rochdale	1
Salford	3
Sandwell	1
Sheffield	3
South Gloucestershire	2
Southwark	1
St. Helens	2
Staffordshire	2
Stockport	4
Sunderland	1
Telford and Wrekin	4
Tower Hamlets	2
Trafford	6
Wakefield	2
Walsall	1
Waltham Forest	1
Wandsworth	3
Warwickshire	5
Westminster	1
Wigan	5
Wiltshire	1
Total	185

Nursery Education

Mrs. May: To ask the Secretary of State for Education and Employment how much money has been provided to each local education authority, on a ring-fenced basis, for the provision of nursery places for four-year-olds, since May 1997; and what criteria are used by his Department for the expenditure of that money. [119490]

Ms Hodge *[holding answer 17 April 2000]:* The following table shows the estimated amount of specific grant this Government have provided to each Local Education Authority, since May 1997, for four-year-old early education places, amounting to £631.2 million.

The criteria for the provision of this funding is set out in the "Requirements of Nursery Education Grant" which is issued to all Local Education Authorities annually. I have placed a copy of this in the Library.

In addition to this specific grant funding, the table also shows the level of funding provided, since April 1997, for the Under Fives Education Standard Spending Assessment (SSA) sub block, which has increased from £1,089 million in 1997–98 to £1,342 million in 2000–01, an increase of £253 million.

£

LEA Number/name	*Specific grant funding for 4 year old places May 1997-March 2000*	*Under Fives SSA sub block From 1997–98 to 2000–01*
201 City of London	44,239	525,635
202 Camden	2,447,710	26,199,350
203 Greenwich	2,773,478	34,439,251
204 Hackney	2,980,044	42,099,645

£

LEA Number/name	Specific grant funding for 4 year old places May 1997-March 2000	Under Fives SSA sub block From 1997–98 to 2000–01
205 Hammersmith and Fulham	1,636,268	22,208,333
206 Islington	2,114,722	32,213,647
207 Kensington and Chelsea	1,032,706	16,291,874
208 Lambeth	3,070,930	47,315,973
209 Lewisham	3,130,106	41,799,656
210 Southwark	3,167,629	49,295,463
211 Tower Hamlets	2,146,908	44,930,632
212 Wandsworth	3,867,737	36,090,382
213 Westminster	1,849,560	20,979,552
301 Barking and Dagenham	1,765,439	24,125,654
302 Barnet	3,614,333	35,006,253
303 Bexley	2,606,279	24,149,142
304 Brent	2,736,491	39,619,753
305 Bromley	5,100,604	29,248,314
306 Croydon	6,048,437	42,273,609
307 Ealing	3,430,661	42,080,847
308 Enfield	3,445,040	36,796,575
309 Haringey	2,429,547	38,830,346
310 Harrow	2,215,048	22,798,730
311 Havering	2,776,425	22,302,298
312 Hillingdon	2,672,244	23,681,920
313 Hounslow	2,013,805	28,155,892
314 Kingston-upon-Thames	1,668,814	11,962,294
315 Merton	2,048,953	19,245,190
316 Newham	3,091,355	50,441,093
317 Redbridge	3,435,180	27,301,291
318 Richmond-upon-Thames	2,362,189	13,401,432
319 Sutton	1,974,014	15,210,394
320 Waltham Forest	2,554,006	33,335,378
330 Birmingham	11,783,384	139,962,427
331 Coventry	3,384,879	34,287,990
332 Dudley	3,710,884	28,815,226
333 Sandwell	2,987,298	35,453,907
334 Solihull	2,397,517	19,229,377
335 Walsall	2,604,948	28,904,993
336 Wolverhampton	2,570,806	29,114,582
340 Knowsley	1,585,878	23,661,932
341 Liverpool	4,907,920	59,188,289
342 St. Helens	1,932,173	17,927,819
343 Sefton	2,947,503	26,480,973
344 Wirral	4,149,910	33,882,113
350 Bolton	2,841,652	28,236,268
351 Bury	2,251,775	17,048,891
352 Manchester	4,457,698	63,455,403
353 Oldham	2,619,319	26,597,738
354 Rochdale	2,254,788	25,545,335
355 Salford	2,707,015	26,462,617
356 Stockport	3,484,095	25,133,268
357 Tameside	2,408,284	23,291,539
358 Trafford	2,865,589	20,312,104
359 Wigan	3,433,136	28,979,591
370 Barnsley	2,187,391	20,484,099
371 Doncaster	2,977,993	31,382,784
372 Rotherham	2,912,829	24,035,721
373 Sheffield	6,057,663	47,356,406
380 Bradford	5,486,859	61,363,771
381 Calderdale	1,942,438	20,765,966
382 Kirklees	4,337,797	41,447,454
383 Leeds	7,960,883	70,718,825
384 Wakefield	3,498,079	28,404,693
390 Gateshead	2,018,410	19,314,038
391 Newcastle Upon Tyne	2,904,090	28,988,668
392 North Tyneside	1,873,911	18,124,299
393 South Tyneside	1,430,236	16,268,735
394 Sunderland	2,823,357	30,647,773
420 Isles of Scilly	24,401	223,825
800 Bath and North East Somerset	2,198,269	12,718,586
801 City of Bristol	4,179,267	39,699,083
802 North Somerset	2,598,843	13,907,594
803 South Gloucestershire	3,442,961	21,981,555
805 Hartlepool	950,625	10,341,339
806 Middlesbrough	1,534,150	18,459,150
807 Redcar and Cleveland	1,400,437	15,375,552
808 Stockton on Tees	1,898,200	19,105,620
810 Kingston Upon Hull	2,903,707	30,263,632
811 East Riding of Yorkshire	3,573,101	23,043,212
812 North East Lincolnshire	1,809,580	36,801,075
813 North Lincolnshire	1,602,657	14,175,583
815 North Yorkshire	6,545,160	44,474,348
816 City of York	2,026,232	13,483,553
820 Bedfordshire	5,478,779	32,620,541
821 Luton	2,362,532	23,342,271
825 Buckinghamshire	7,145,460	36,818,705
826 Milton Keynes	3,793,569	18,601,327
830 Derbyshire	7,882,768	56,773,285
831 City of Derby	2,631,137	24,323,450
835 Dorset	5,964,663	25,105,447
836 Poole	2,198,869	10,824,072
837 Bournemouth	2,397,719	11,566,800
840 Durham	4,731,876	46,614,569
841 Darlington	1,184,119	10,096,485
845 East Sussex	6,174,647	37,623,254
846 Brighton and Hove	2,955,123	21,053,357
850 Hampshire	19,734,237	105,388,667
851 Portsmouth	2,631,819	19,972,766
852 Southampton	2,667,163	22,898,940
855 Leicestershire	8,459,289	42,050,808
856 City of Leicester	3,376,784	37,494,284
857 Rutland	431,985	2,267,346
860 Staffordshire	8,843,720	66,060,025
861 Stoke on Trent	2,395,675	24,933,123
865 Wiltshire	7,039,003	24,059,879
866 Swindon	3,528,047	17,156,587
867 Bracknell Forest	2,146,276	8,643,081
868 Windsor and Maidenhead	2,685,865	19,969,052
869 West Berkshire	1,997,405	9,761,799
870 Reading	1,579,927	12,693,025
871 Slough	625,883	15,076,047
872 Wokingham	3,078,414	9,333,372
873 Cambridgeshire	7,071,693	45,390,961
874 Peterborough	2,910,513	19,057,525
875 Cheshire	11,322,430	56,519,961
876 Halton	1,244,530	14,060,951
877 Warrington	4,185,917	18,084,822
878 Devon	10,254,437	49,728,187
879 Plymouth	3,874,095	22,639,526
880 Torbay	1,493,816	10,092,027
881 Essex	17,727,923	110,200,579
882 Southend-on-Sea	2,230,039	16,388,210
883 Thurrock	1,313,651	15,127,821
884 Herefordshire	2,490,837	13,154,133
885 Worcestershire	8,782,704	41,417,451
886 Kent	20,422,401	122,161,732
887 Medway Towns (R and G)	2,156,170	26,508,014
888 Lancashire	16,605,957	107,804,099
889 Blackburn with Darwen	1,297,803	19,905,426
890 Blackpool	2,076,049	14,023,959
891 Nottinghamshire	9,647,913	53,218,304
892 City of Nottingham	2,529,142	32,514,913
893 Shropshire	4,541,257	18,408,566
894 Telford and Wrekin	1,392,112	14,919,311
908 Cornwall	5,728,739	35,616,608
909 Cumbria	5,010,134	42,532,605
916 Gloucestershire	8,751,420	47,048,781
919 Hertfordshire	13,729,335	95,207,322
921 Isle of Wight	2,118,616	10,961,727
925 Lincolnshire	5,808,892	52,483,372
926 Norfolk	9,427,151	41,930,030
928 Northamptonshire	8,194,925	58,586,326
929 Northumberland	2,888,327	25,987,204
931 Oxfordshire	8,959,795	42,953,283
933 Somerset	7,133,883	39,937,579
935 Suffolk	9,199,437	49,416,913
936 Surrey	16,018,864	84,705,754
937 Warwickshire	6,494,790	41,153,322
938 West Sussex	12,400,914	54,837,210
Total	631,196,266	4,887,492,000

Note:

Specific grant funding provided in 1997–98 to LEAs that no longer exist have been distributed across the new LEA areas. Where there is more than one new area it has been distributed according to the percentage of funding the new areas received in 1998–99 and 1999–2000.

Human Rights and Disability

Mr. Boswell: To ask the Secretary of State for Education and Employment what response he has made to the National Disability Council's report on Human Rights and Disability. [120832]

Ms Hodge *[holding answer 8 May 2000]:* The report "The Impact of the Human Rights Act on Disabled People" was prepared for, and recently published by, the National Disability Council and The Royal National Institute for Deaf People. The NDC has sent copies to the Chairs of the Disability Rights Commission, the Commission for Racial Equality, the Equal Opportunities Commission and to Northern Ireland's Equality Commission and Human Rights Commission and to a range of disability and other organisations, as a contribution to the debate on the human rights legislation.

It is an interesting report and we are considering how best to make use of the material that it contains.

Learning Accounts

Mr. Boswell: To ask the Secretary of State for Education and Employment when he will introduce the national arrangements for issuing individual learning accounts; who is the contractor selected; how many people have applied to individual TECs and remain on a waiting list; and what criteria will be applied for entitlements, including those in connection with transport and child care costs. [120833]

Mr. Wicks *[holding answer 8 May 2000]:* I can answer most of the hon. Member's question by referring him to the replies I have given to the previous parliamentary questions of 3 April and 4 May 2000, *Official Report*, columns 295W and 196W respectively.

Our latest figures show that in England, over 117,000 accounts had been opened by the end of March 2000. This is against a UK target of 100,000 accounts opened by April 2000, and we are on track to achieve the target of 1 million accounts opened in the lifetime of this Parliament.

I am pleased to announce that the Department has issued a letter of intent to Capita Group to start the development of these services under the national framework.

From April, we have been offering 80 per cent. discounts for computer literacy courses through Further Education colleges in England. Anyone aged 19 or over can open a learning account and claim the incentives. When deciding eligibility for the incentives, we will take into account the type of learning people plan to undertake and any Government financial support they already get for their chosen learning. Child care and transport costs will not be eligible for the incentives.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Regional Development Agencies

15. **Mr. Sheerman:** To ask the Secretary of State for the Environment, Transport and the Regions what arrangements he has made to monitor the performance of regional development agencies. [120154]

Ms Armstrong: We developed an interim evaluation and performance monitoring framework for the Regional Development Agencies (RDAs) prior to their establishment on 1 April last year. This framework included a set of core indicators that reflected the purposes for which the RDAs were set up, to be used by the RDAs in developing their regional strategies.

We undertook to review the interim framework within 18 months of the establishment of the RDAs, and we have recently started to take this review forward.

A38 Bypass

16. **Mr. Breed:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his bypass programme for the A38. [120155]

Mr. Hill: The Dobwalls bypass and the Saltash-Stoketon Cross improvement schemes are being considered under the London to South-West and South Wales multi-modal study. The outcome of the study will inform consideration of transport infrastructure requirements in preparing Regional Planning Guidance, including the need for improvements to the trunk road network.

New Houses (South-East)

17. **Mr. Burns:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received on his proposals for housebuilding in the South-East. [120156]

Mr. Raynsford: My right hon. Friend the Secretary of State is just beginning to receive representations on his proposals. These are subject to public consultation until 19 June. He expects to receive further representations to his "Proposed Changes to Draft Regional Planning Guidance" (RPG9) during the course of the consultation period.

Trans-European Road Network

18. **Mr. Paterson:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on investment in Trans-European Network roads. [120157]

Mr. Hill: Parts of the national trunk road network have also been designated as Trans-European Network (TEN) routes. Our plans for investment in the trunk road network were set out in "A New Deal for Trunk Roads in England".

Air Pollution

19. **Mr. Colman:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on Government policy concerning the emission of greenhouse gases by aircraft within UK jurisdiction. [120158]

Mr. Mullin: Emissions from aircraft on domestic flights are already included in the UK totals and targets. The draft Climate Change Programme, published in March, sets out our plans for delivering the UK's target under the Kyoto Protocol and moving towards our

domestic goal of a 20 per cent. cut in carbon dioxide emissions by 2010. We are also working in ICAO towards the reduction of emissions from international aviation.

Fishing Vessels (Safety)

20. **Dr. Godman:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to modify the regulations governing the safety of the crews of United Kingdom-registered fishing vessels. [120160]

Mr. Hill: We have recently introduced the Fishing Vessels (EC Directive on Harmonised Safety Regime) Regulations 1999, and we are continuing to implement occupational health and safety directives. We propose to introduce a safety code for under-12m fishing vessels and to review the UK Fishing Vessel (Safety Provisions) 1975.

Transatlantic Aviation Market

21. **Mr. Nicholas Winterton:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to raise the full liberalisation of the transatlantic aviation market at the bilateral talks with the United States in June. [120161]

Mr. Mullin: The Government will persist in their efforts to secure the liberalisation of the UK/US aviation market at the next round of formal talks to be held in June.

Cheam Station

22. **Mr. Burstow:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make improvements to the condition and fabric of Cheam station a condition of the re-award of the relevant franchise. [120162]

Mr. Hill: As the hon. Gentleman will know from the recent adjournment debate about the replacement of the Connex South Central franchise, my right hon. Friend the Deputy Prime Minister has issued instructions to the Franchising Director asking him to deliver improvements through renegotiation of franchise agreements. The replacement bids for this franchise must include proposals for improved station facilities and a cleaner, safer station environment.

Green Belt

23. **Mr. Clappison:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to protect existing green belt areas. [120163]

Mr. Raynsford: Planning Policy Guidance note 2 already states that land in designated green belts should be protected against inappropriate development. Local planning authorities must take it into account in preparing their development plans and in individual development control decisions.

Climate Change

24. **Dr. Gibson:** To ask the Secretary of State for the Environment, Transport and the Regions what recent research he has commissioned to determine the effects of climate change on human health. [120164]

Mr. Meacher: My Department supports research on the global impacts of climate change on human health from the London School of Hygiene and Tropical Medicine. The Department of Health has commissioned a report from the Institute for Environment and Health on the possible impacts of climate change on health in the UK.

Railtrack Safety Company

25. **Mrs. Dunwoody:** To ask the Secretary of State for the Environment, Transport and the Regions when the safety company of Railtrack will be incorporated; and when the managing director will be appointed. [120165]

Mr. Hill: The Health and Safety Executive and the Rail Regulator will shortly be starting a statutory consultation on changes to Regulations and to Railtrack's licence necessary to enable the new company to function. I understand that Railtrack is proceeding as far as it can with the arrangements for setting up the new company.

Regeneration

26. **Mr. Coaker:** To ask the Secretary of State for the Environment, Transport and the Regions what steps the Government are taking to ensure that disadvantaged neighbourhoods outside the inner cities benefit from regeneration programmes. [120166]

Ms Beverley Hughes: Renewing and revitalising poor neighbourhoods has consistently been a high priority for this Government and a consultation framework on the National Strategy for Neighbourhood Renewal was published by the Social Exclusion Unit in April. We are already addressing the needs of disadvantaged neighbourhoods outside the inner cities through the Single Regeneration Budget but the future role of all the regeneration programmes is being considered in the current spending review.

Fifth Freedom Rights

27. **Sir Sydney Chapman:** To ask the Secretary of State for the Environment, Transport and the Regions which non-United Kingdom and non-United States carriers have received further fifth freedom rights from the UK in the last year; and which applications are still outstanding. [120167]

Mr. Mullin: In the last year the UK has granted new fifth freedom traffic rights, or additional frequencies to existing rights, to the designated airline or airlines of the following countries:

Bahrain
Bangladesh
Greece
India
Luxembourg
Mauritius
Namibia
Pakistan
Uganda.

Requests for new fifth freedom rights are often made in the course of negotiations but are then not pursued.

Regional Airports (Access)

28. **Mr. Tony Lloyd:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on access by non-UK carriers to regional airports. [120168]

Mr. Mullin: Since June 1998 all bilateral partners with whom we did not already have liberal air services agreements have been offered unrestricted access to all UK regional airports, so long as UK airlines are also allowed to operate on the same routes. Some 17 countries have accepted the offer, and it has been discussed in virtually all air services negotiations held since June 1998.

Organophosphates

29. **Mr. Tyler:** To ask the Secretary of State for the Environment, Transport and the Regions if he will circulate the revised HSE Guidance Note MS17, entitled "Medical Aspects of Work-Related Exposure to Organophosphates", to *(a)* potential users of organophosphates and *(b)* GPs. [120169]

Mr. Meacher: No. MS17 is a priced publication available on that basis to anyone, but it is written for doctors and other health professionals and would not be helpful to the general user of organophosphates. All GPs are being made aware of its existence, but it would be wasteful to distribute it to the many who will have no cause to refer to it.

Transport for London

30. **Mr. Wilkinson:** To ask the Secretary of State for the Environment, Transport and the Regions when he intends to meet the Mayor of London to discuss the entry into operation of Transport for London. [120170]

Mr. Hill: My right hon. Friend will be meeting the Mayor of London in due course to discuss a range of issues, including transport.

Thames Gateway

31. **Mr. Paul Clark:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the future development of the Thames Gateway. [120171]

Ms Beverley Hughes: My right hon. Friend the Deputy Prime Minister announced on 7 March that the Thames Gateway remains a focus for development and an opportunity for growth in the south-east. Draft Regional Planning Guidance published on 22 March identifies the regeneration of the area as a national and regional priority and proposes an extension of the boundary into south Essex. Stronger implementation structures, including a new strategic partnership and local delivery mechanisms, are being discussed with local and regional organisations in the area.

Local Authority Debt

32. **Mr. Clifton-Brown:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the trend in the level of external local authority debt in the last three years for which figures are available. [120172]

Ms Beverley Hughes: The trend in the level of external debt of local authorities in England is broadly flat. Total external debt has been estimated at about £37 billion at end March in each of the years 1997, 1998 and 1999.

Second and Holiday Homes

33. **Mr. Andrew George:** To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the extent of *(a)* second and *(b)* holiday home ownership in England and Wales; and if he will make a statement. [120173]

Mr. Mullin: Estimates based on the Survey of English Housing (SEH) indicate that there were about 234,000 English households who owned second homes in England and Wales in 1998–99.

Some 46 per cent. of SEH respondents owning a second home included "holiday home/retirement home/weekend cottage" as one of their reasons for having the second home. This would indicate a figure for holiday home ownership of around 108,000.

There is no comparable recent and reliable source of information on people whose main residence is in Wales who have a second home in England or Wales.

Packaging Waste

34. **Jane Griffiths:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the packaging waste compliance scheme registration fee structure. [120174]

Mr. Meacher: In the light of experience with the current arrangements, we intend to consult shortly on an alternative structure for registration fees for compliance schemes.

NATS Employees (Share Allocation)

35. **Mr. Gordon Prentice:** To ask the Secretary of State for the Environment, Transport and the Regions how many shares are to be allocated to NATS employees under the arrangements proposed in the Transport Bill. [120175]

Mr. Mullin: The Government propose that 5 per cent. of NATS shares are to be made available for an employee share scheme. Details will be worked up in due course following consultation with NATS' employee representatives and, when selected, the strategic partner.

Regional Development Agency (Yorkshire and Humberside)

36. **Kali Mountford:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the work of the regional development agency in the Yorkshire and Humberside region. [120176]

Ms Beverley Hughes: The Government have set Yorkshire Forward the challenging task of leading the revitalisation of the Yorkshire and Humber economy. The first step towards this goal was made with the production of a Regional Economic Strategy. The strategy, a well structured framework for promoting economic development and competitiveness in the region, was welcomed by the Government earlier this year.

Yorkshire Forward is now working with other partners to develop a series of Action Plans to take forward key actions in the Strategy. At the same time, Yorkshire Forward has made good use of its programme funding to secure new investment in the region, to create new jobs and to address the skills gap.

Workplace Parking Tax

37. **Mrs. Spelman:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the likely impact of the proposed workplace parking tax on local economies. [120177]

Mr. Hill: Research indicates that a levy on workplace parking can help to tackle traffic congestion. Less congestion will help to improve the competitiveness of local economies. In addition, the hypothecation of the revenues raised for improving local transport will help to maintain their vitality.

We will require local authorities that choose to bring forward a workplace parking levy scheme to assess the likely impact of their scheme, including its effect on the local economy, before the Secretary of State approves the order to give effect to the scheme.

Village Speed Limits

38. **Mr. Rendel:** To ask the Secretary of State for the Environment, Transport and the Regions if he will list those authorities which have completed the introduction of a programme of village speed limits throughout their area. [120178]

Mr. Hill: The setting of local speed limits is a matter for local authorities who are not obliged to inform central Government of the number or whereabouts of local speed limits they have in force.

CITES

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the outcome of the Conference of the Parties to the Convention on International Trade in Endangered Species which took place in Gigiri, Kenya, from 10 to 20 April. [121623]

Mr. Meacher: A record 130 countries attended the Conference, which took place in a positive and friendly atmosphere in the excellent facilities provided at UNEP HQ.

The Conference considered 62 proposals to amend the species covered by CITES, which are listed in two Appendices. Appendix I lists highly endangered species which are prohibited in international commerce. Appendix II lists other endangered species in the table, which includes details of the final position taken by the UK (in accordance with the EU's common position) on those proposals which were put to the Conference for decision.

The UK achieved its main objective on the key proposals for elephants, turtles and whales. Our own proposal to list the basking shark on Appendix II achieved 61 per cent. support—the highest vote for any of the three shark proposals before the Conference. Unfortunately a two-thirds majority was required and the majority of states which use basking shark fins voted against our efforts to ensure that fisheries were managed sustainably and trade levels monitored.

We were particularly disappointed that representatives from the Food and Agriculture Organisation (FAO) intervened in the debate on behalf of overseas fishing industry interests, and partly disowned their own technical report which showed that species like the basking shark are particularly suitable for CITES management. Given the continuing threat to this species, and the strength of our scientific case which was widely acknowledged, the Government intend to work with our European Union colleagues to list the basking shark on Appendix III of CITES as soon as possible. If agreed, this would make any transaction between the EU and other states in basking shark products subject to the EU CITES Regulations.

Another major UK proposal at the Conference—to establish a working group to address unsustainable trade in bushmeat—has been strongly endorsed. Initially, the working group will focus on the management of bushmeat harvesting and trade in six African countries with particular problems such as dislocation caused by irresponsible forest exploitation by international timber companies and unsustainable demand for bushmeat from urban areas. My Department is making £50,000 available in the current financial year to support this initiative, and we look forward to contributions from other CITES Parties and non-Governmental bodies.

I would also like to highlight two other UK achievements at the Conferences. First we ensured that most of the tough recommendations made in the recent CITES Tiger Missions, led by the UK, were endorsed and that countries which fail to implement them can as a last resort face wildlife trade sanctions. As a potential consumer state, the UK will continue to maintain a vigilant profile through education, detection and prosecution to prevent any revival in the use of tiger products for traditional medicine in this country. Secondly, I would like to pay tribute to representatives of HM Customs and Excise and the Police who organised a widely praised exhibition of the UK's work to enforce CITES. Two recent convictions in the UK for illegal trade in shahtoosh and parrots have demonstrated the increasing commitment of statutory enforcement agencies to tackle wildlife crime. I hope that the proposed Wildlife Crime Unit, which I announced on 16 February, will enable us to build on these achievements.

Species—scientific name	*Species—common name*	*Proposal*	*UK/EU final position*	*Outcome*
Fauna				
Crocodylus niloticus (Tanzania pop.)	Nile crocodile	Increase export quota for wild-taken specimens	Support	Adopted
Manis crassicaudata Manis pentadactyla Manis javanica	Indian pangolin Chinese pangolin Malayan pangolin	Uplist (AII to AI). Amended to remain in AII with zero wild quota	Support as amended	Adopted as amended

Species—scientific name	*Species—common name*	*Proposal*	*UK/EU final position*	*Outcome*
Tursiops truncatus ponticus	Black Sea Bottle Nosed Dolphin	Uplist (AII to AI)	Abstain	Withdrawn
Eschrichtius robustus (Eastern N. Pacific stock)	Grey Whale	Downlist (to AII)	Oppose	Rejected
Balaenoptera acutorostrata (S. Hemisphere stock)	Minke Whale	Downlist (to AII)	Oppose	Rejected
Balaenoptera acutorostrata (Okhotsk Sea—W. Pacific stock)	Minke Whale	Downlist (to AII)	Oppose	Rejected
Balaenoptera acutorostrata (NE Atlantic—N. Atlantic Central stock	Minke Whale	Downlist (to AII)	Oppose	Rejected
Parahyaena brunnea	Hyaena	De-list (from AII)	Support	Adopted
Loxodonta africana (South African pop.)	African Elephant	Downlist (to AII). Non-ivory trade only	Support as amended	Adopted as amended
Loxodonta africana (Botswanan pop.)	African Elephant	Commercial ivory quota	Oppose	Withdrawn
Loxodonta africana (Namibian pop.)	African Elephant	Commercial ivory quota	Oppose	Withdrawn
Loxodonta africana (Zimbabwean pop.)	African Elephant	Commercial ivory quota	Oppose	Withdrawn
Loxodonta africana (App. II pops.)	African Elephant	Uplist (AII to AI)	Oppose	Withdrawn
Loxodonta africana (App. II pops.)	African Elephant	Annotation amendment (re "appropriate and acceptable destinations")	Support	Adopted
Dugong dugon (Australian pop.)	Sea Cow	Uplist (AII to AI)	Abstain	Adopted
Vicugna vicugna (App. I pops.)	Vicuna	Downlist (to AII)	Support	Withdrawn
Vicugna vicugna (App. II pops)	Vicuna	Delete zero quota for trade in cloth	Support	Adopted
Moschus spp. (App. II pops.)	Musk deer	Uplist (to AI)	Oppose	Withdrawn
Ovis vignei (unlisted sub spp.)	Urial	List non AI pops. on AII	Support as amended	Adopted as amended
Rhea pennata pennata (Argentine pop.)	Lesser Rhea	Downlist (to AII)	Support	Adopted
Falco rusticolus (N. American pop.)	Gyr Falcon	Downlist (AI to AII)	Oppose	Rejected
Eunymphicus cornutus cornutus	Horned Parakeet	Uplist (AII to AI)	Support	Adopted
Eunymphicus cornutus uveaenisis	Ouvea Parakeet	Uplist (AII to AI)	Support	Adopted
Garrulax canorus	Melodious Laughing Thrush	List (on AII)	Oppose (but support AIII)	Adopted
Cuora s.l.	Box Turtles	List (on AII)	Support	Adopted
Clemmys guttata	Spotted turtle	List (on AII)	Oppose	Rejected
Geochelone sulcata	African spurred tortoise	Retain AII with zero wild quota	Support	Adopted as amended
Malacochersus tornieri	Pancake tortoise	Uplist (AII to AI)	Support	Withdrawn
Eretmochelys imbricata (Carib. pop. in Cuban waters	Hawksbill Turtle	Downlist (to AII)	Oppose	Withdrawn
Eretmochelys imbricata (Carib. pop. in Cuban waters	Hawksbill Turtle	Downlist (to AII) for one-off sale of shell stocks	Abstain	Rejected
Crocodylus moreletii (Sian Ka'an, Quintana Roo pop.)	Belize crocodile	Downlist (to AII)	n/a	Withdrawn before the Conference
Varanus melinus	Quince monitor lizard	Uplist (AII to AI)	Oppose	Withdrawn
Crotalus horridus	Timber rattlesnake	(List on AII)	Oppose	Withdrawn
Bufo retiformis	Sonoran green toad	De-list (from AII)	Support	Adopted
Mantella spp. (except M. aurentiaca)	Malagasy poison frog	List (on AII)	Support	Adopted
Rhincodon typus	Whale shark	List (on AII)	Support	Rejected

Species—scientific name	*Species—common name*	*Proposal*	*UK/EU final position*	*Outcome*
Carcharodon carcharias	Great white shark	List (on AI)	Support AII	Rejected
Cetorhinus maximus	Basking shark	List (on AII)	Support	Rejected
Latimeria spp. (except L. chalumnae)	Coelecanth	List (on AI)	Support	Adopted
Latimeria menadoensis	Menado coelacanth	List (on AI)	Support (only if above proposal failed)	Withdrawn
Poecilotheria spp.	Ornamental tarantula	List (on AII)	Oppose	Rejected
Flora				
Popophyllum hexandrum; and Rauvolfia serpentina		Combine with annotation for Taxus wallichiana	Support	Adopted (also referred to Plants Committee)
Ceropegia spp.		De-list (from AII)	Support	Adopted
Frerea indica		De-list (from AII)	Support	Adopted
Byblis spp.	Rainbow Plant	De-list (from AII)	Support	Adopted
Disocatus macdougalli	McDougal's cactus	Downlist (to AII)	Support	Adopted
Sclerocactus mariposensis	Lloyds Mariposa cactus	Downlist (to AII)	Support	Rejected
Cephalotus follicularis	Albany pitcher plant	De-list (from AII)	Support	Adopted
Dudleya stolonifera Dudleya traskiae	Laguna Beach Liveforever Santa Barbara Island Liveforever	Downlist (to AII)	Support	Adopted as amended
(a) Cyathea spp. and (b) Dicksonia spp.	Tree ferns	(a) amend listing to Cyathea spp. (inc. Alsophila, Nephelea, Sphaeropteris, Trichipteris) and Cibotium barometz (b) amend listing to Dicksonia spp. (originating in Americas) and Cibotium barometz	Support	Adopted
Shortia galacifolia	Oconee-Bells	De-list (from AII)	Support	Withdrawn
Lewisia cotyledon	Siskiyou Lewisia; Maguire's Bitter-root; Saw-toothed Lewisia	De-list (from AII)	Support	Adopted as amended
Darlingtonia californica	California Pitcher Plant	De-list (from AII)	Support	Adopted
Panax ginseng (roots)	Ginseng	List (on AII)	Support	Adopted as amended
Araucaria araucana (Argentine pop.)	Monkey puzzle tree	Uplist (AII to AI)	Support	Adopted
Cactaceae spp.		De-list (from AII)	Oppose	Withdrawn (but decision adopted)
Kalmia cuneata	Laurel	De-list (from AII)	Support	Withdrawn
Camptotheca acuminata	Happytree	List (on AII)	Open	Withdrawn
Cistanche deserticola	Desert living Cistanche	List (on AII)	Support	Adopted as amended
Harpagophytum procumbens; Harpagophytum zeyheri	Grapple plant	List (on AII)	Support	Withdrawn
Adonis vernalis	Herb of spring adonis	List (on AII)	Support	Adopted as amended
Guaiacum sanctum	Brazil wood	Uplist (to AI)	Oppose	Withdrawn (but decision adopted)

Notes:
1. AI = Appendix I of CITES (species banned in commerce).
2. AII = Appendix II of CITES (species regulated in commerce).

Waste Management Licensing

Mr. Caton: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will extend the scope of the Waste Management (Licensing) Regulations so that judgment on fit and proper person status takes into account relevant convictions in other EU countries; [118780]

(2) if convictions in other countries are taken into consideration when assessing applicants' fit and proper person status for the purpose of waste management licensing; [118778]

(3) what relevant convictions under UK law are taken into consideration when assessing applicants for fit and proper person status for the purpose of waste management licensing. [118779]

Mr. Meacher: Offences which are taken into consideration in Great Britain when assessing "fit and proper person" status are those set out in regulation 3 of the Waste Management Licensing Regulations 1994 (S.I. 1994 No. 1056) (as amended). Convictions in other countries are not currently taken into consideration when assessing applicants' fit and proper person status for the purpose of these provisions and waste management licensing. However, we are considering whether the list of relevant offences should be extended to take into account convictions in other EU countries, although there is at present no EU-wide mechanism to support such a system.

The amendment of the 1994 Regulations in relation to Wales is a devolved function and would be a matter for the National Assembly for Wales.

Bull Bars

Mr. Flynn: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ban the use of bull bars on public roads. [120281]

Mr. Hill: As stated in our recently published Road Safety Strategy "Tomorrow's Roads—Safer for Everyone", we believe that the anticipated European Commission proposal to make all new car fronts safer would be the best way of preventing particularly dangerous bull bars being fitted to vehicles. We are currently awaiting the opportunity to examine the details of the Commission's draft proposal. We had expected this to be put forward in mid-March, and were disappointed when this proved not to be possible. We are now urging the Commission to bring forward their proposal at the earliest opportunity.

We are keen to see bull bars tackled as soon as possible, on an effective Europe-wide basis. We are therefore also submitting a scientific proposal to the Commission for bull bars to be controlled by an amendment to the external projections directive as an interim measure.

Disabled Access (Stations)

Mr. Pike: To ask the Secretary of State for the Environment, Transport and the Regions what percentage of *(a)* London Underground and *(b)* Railtrack stations have disabled access; what steps are being taken to increase provision; and if he will make a statement. [120279]

Mr. Hill: 20 per cent. of London Underground stations have wheelchair access to at least one direction of travel on at least one line. It is anticipated that the number of tube stations with disabled access will increase to 45 per cent. through the PPP contracts.

22 per cent. of Railtrack stations have wheelchair access from the street. Railtrack has a strategy to make all stations fully accessible to the disabled within 20 years. Railtrack are awaiting the outcome of the Rail Regulator's periodic review of their access charges, which are due later this year, before finalising their programme of improvements.

Noise Pollution

Mr. Sheerman: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will instruct the Highways Agency to prepare plans for noise pollution barriers on the section of the M62 adjoining to Bradley Wood, Huddersfield; [120129]

(2) what steps he is taking to ensure that noise pollution caused by motorways is reduced. [120128]

Mr. Hill: No. The Government set out their policy towards dealing with the problems of traffic noise arising from motorways and other roads managed by the Highways Agency in "A New Deal for Trunk Roads in England". We expect considerable benefits to be achieved by the increased use of quieter surfaces both for new trunk roads and for those needing maintenance. In addition, we have asked the Highways Agency to consider the case for providing noise mitigation in the worst cases where no other action was being taken to provide relief for residential properties. The Government are also supporting the implementation of a proposed EU Directive that will require vehicle tyres to meet noise emission limits.

Mr. Sheerman: To ask the Secretary of State for the Environment, Transport and the Regions what arrangements he has made with the Highways Agency to increase sound pollution barriers when stretches of existing motorways are *(a)* upgraded and *(b)* modified. [120130]

Mr. Hill: The Highways Agency is required to assess the potential adverse effects on the environment of any modifications to existing motorways which involve physical alterations. With regard to noise, the effectiveness of any existing sound barriers will be taken into account and proposals for upgrading them or for alternative measures to be provided in conjunction with the alteration will be considered.

Open-cast Mining Sites (Scotland)

Mr. Welsh: To ask the Secretary of State for the Environment, Transport and the Regions how often open-cast mining sites in Scotland were inspected by the Health and Safety Executive in the last three years; and what plans he has to increase the frequency of inspections in the coming year. [120791]

Mr. Meacher: Health and Safety Executive inspectors carry out routine preventative inspections of workplaces according to the hazards and risks of the workplace. With open-cast coal mines such inspections are normally made once per year. In addition an inspector may visit for other reasons, e.g. to investigate an accident or complaint.

As of 31 March 2000 there were 106 open-cast coal mines registered in Scotland of which 28 were operational. All the operational sites were inspected during 1999–2000. Over the last three years a total of 254 inspection contacts were recorded at open-cast sites in Scotland by inspectors. These included visits to non-operational sites to check their status.

HSE has no plans to change this inspection strategy.

Road Hauliers (Compensation)

Mr. Bercow: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer to the hon. Member for Morecambe and Lunesdale (Miss Smith), of 19 April 2000, *Official Report*, column 485W, if he will list those areas of sustained effort which required departmental and diplomatic activity in the

settlement of claims by road hauliers affected by the 1996 dispute; and what total sums of claims *(a)* have been agreed and *(b)* were refused by the French Government. [120847]

Mr. Hill: Action included numerous meetings with the French Ministry of Transport and with the Interior Ministry, initially to clarify the scope of the French compensation code, the legal and administrative procedures for submitting claims and the basis on which claims should be prepared. Subsequent meetings dealt with the lack of consistency among Préfectures in the application of the rules; their application in particular circumstances, including in respect of lorries that were blocked in more than one Département and those that were prevented from entering France; the delay in processing claims and the revised arrangements introduced to speed up the process. The trade associations were also represented at some of the meetings.

Officials also spent a great deal of time giving guidance to claimants and assisting them in lodging claims. However, claimants are under no obligation to inform the Department of the outcome of their cases. We are therefore unable to provide information about amounts of compensation paid and refused.

Speed Limits

Mrs. Brinton: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to allow the erection of signs in home zone areas instructing drivers to drive at very slow speeds. [120984]

Mr. Hill: Local traffic authorities have the powers to introduce 20mph speed limits and associated signing without seeking consent from the Secretary of State. For the pilot home zones in England, we will consider authorising the use of advisory 10mph maximum speed signs. This will depend on the effectiveness of engineering measures or 20mph speed limits in reducing vehicle speeds.

Croydon Tramlink

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions when his Department last assessed the level of passenger demand for the Croydon Tramlink. [120841]

Mr. Hill: The Department assessed levels of passenger demand for Croydon Tramlink prior to the Concession Agreement being signed in 1996. In line with the PFI nature of the project, assessment of passenger demand for Tramlink is now a matter for the concessionaire Tramtrack Croydon Ltd. (TCL). I understand that in April this year TCL estimated that Croydon Tramlink will carry more than 20 million passengers a year.

Utility Road Works

Mr. Webb: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to encourage utility companies and others to co-ordinate their activities in order to reduce the number of occasions on which roads and pavements are dug up. [121062]

Mr. Hill: Street works undertakers are required under the New Roads and Street Works Act 1991 to co-operate with highway authorities and one another to co-ordinate their works, in the interests of safety, and in order to minimise inconvenience to road users and protect the street and apparatus in it. This duty of co-ordination is backed by criminal sanctions. Highway authorities for their part must co-ordinate works of all kinds in the streets for which they are responsible. A code of practice issued under the Act sets out the co-ordination machinery in detail.

Regulations made last year under the 1991 Act aim to facilitate and encourage the electronic transfer of information about street works and other works in the highway between utilities and highway authorities, by way of a system known as ETON which makes use of the internet. This will ensure greater consistency and speed in transferring and registering the information, which in turn will help authorities in their co-ordination role.

On 5 April, in addition to announcing its intention to develop a scheme to charge utilities for street works which are unreasonably prolonged, the Government also stated that it would work with highway authorities and utilities to develop best practice on street works. Co-ordination and quality of work were specifically mentioned as areas to cover. We aim to publish guidance later this year.

Bilateral Air Service Agreement

Miss McIntosh: To ask the Secretary of State for the Environment, Transport and the Regions (1) what the Government's policy is on granting the European Commission a mandate to negotiate bilateral air service agreement between the EU and the US; [121285]

(2) if it is his objective to achieve full liberalisation of air services between the UK and the US as a result of the forthcoming bilateral air service agreement talks with the US; [121283]

(3) what his policy is on open skies in the context of the forthcoming bilateral air talks with the US Government; [121284]

(4) what recent discussions he has had with his US counterpart on bilateral air service agreement; [121281]

(5) what HM Government's aims are in the forthcoming bilateral air service agreement talks with the US Government; and if he will make a statement. [121282]

Mr. Mullin: It is the Government's policy to secure the liberalisation of the UK/US aviation market, an objective often referred to as 'open skies'. In pursuit of this objective, my right hon. Friend the Deputy Prime Minister has spoken on a number of occasions with the US Secretary for Transportation, and has met him twice this year.

Our aim in negotiations is to remove all capacity and route restrictions on UK-US traffic, thereby increasing competition to the benefit of consumers, provided UK carriers can gain effective access to the US domestic market and so compete on fair terms.

As regards a mandate for the EU, our priority continues to be our bilateral negotiations with the US and we are not persuaded of the advantages of granting the Commission a mandate. Nevertheless, we have taken part constructively

in discussions with EU colleagues and the Commission on the technical detail of what a possible mandate might contain.

Forth Rail Bridge

Mr. Dalyell: To ask the Secretary of State for the Environment, Transport and the Regions if he will call for reports from Rigblast and Railtrack about the use of blasting techniques on the Forth Rail Bridge. [120866]

Mr. Hill *[holding answer 8 May 2000]:* I understand that the Scottish Environmental Protection Agency and the Health and Safety Executive are closely monitoring the work currently being undertaken by Railtrack and its contractors.

Pollution

Mr. Derek Twigg: To ask the Secretary of State for the Environment, Transport and the Regions how many incidents have been reported in each of the last five years for which figures are available of *(a)* deaths and *(b)* injuries caused by uncontrolled releases of (i) hydrocarbons, (ii) ammonia and (iii) HFCs. [120422]

Mr. Meacher *[holding answer 8 May 2000]:* In the context of refrigeration systems, the statistical information held by the Health and Safety Executive is not sufficiently detailed to determine whether any reported deaths and injuries have been caused by uncontrolled releases of hydrocarbons, ammonia and HFCs. Hydrocarbons have been interpreted only in the context of refrigeration and not its wider definition which would include substances such as petrol and LPG.

NORTHERN IRELAND

Public Bodies (Appointments)

Mr. Barnes: To ask the Secretary of State for Northern Ireland if he will list the appointments made to public bodies by the first minister and deputy first minister during the period of devolution from November 1999 to February 2000. [120633]

Mr. Mandelson: The appointments made to public bodies in Northern Ireland by the First Minister and Deputy First Minister during the period of devolution were as follows:

Planning Appeals Commission
Part-time Commissioner—T. McCaw

NI Economic Council
Chairman—Mrs. J. M. Trewsdale
Member—Prof. B. K. Ashcroft
Member—F. P. Bunting
Member—J. Corey
Member—T. Gillen
Member—Ms R. G. D. Johnston
Member—R. W. J. Tosh.

Farmers (Early Retirement)

Mr. McGrady: To ask the Secretary of State for Northern Ireland if he will introduce an early retirement scheme for farmers; and if he will make a statement. [120736]

Mr. Ingram: As the hon. Member is aware, an early retirement scheme is one of the discretionary measures provided for under the Rural Development Regulation. However, such a scheme would be expensive. It would benefit relatively few people and would have to be paid for by many others. Given the Department of Agriculture and Rural Development's existing budget and current commitments, it is simply not affordable at present. As a result, an early retirement scheme has not been included as one of the measures to be introduced in Northern Ireland in the period 2000–06 under the Rural Development (Accompanying Measures) Plan. However, a scheme has not been entirely ruled out and can be considered in the later years of the Plan period when modulation receipts are at their maximum. It is, however, a very costly option and it would need to be demonstrated that such a scheme would offer value for money.

Agrimonetary Compensation

Mr. McGrady: To ask the Secretary of State for Northern Ireland when agrimonetary compensation will be made available for the arable, beef and sheep sectors in *(a)* 2000 and *(b)* 2002; and if he will make a statement. [120755]

Mr. Ingram: In terms of optional agrimonetary compensation, payments to the sheep sector will be made with the first advance on ewe premium in July 2000.

The bulk of payments to the beef sector, i.e. beef special premium and suckler cow premium, will be made from October 2000.

In terms of compulsory agrimonetary compensation, the second instalment of compensation to beef and arable producers will be paid from October 2000 with the third instalment a year later. The third instalment for sheep is likely to be paid in April 2001.

No payments are presently planned for 2002.

Mr. McGrady: To ask the Secretary of State for Northern Ireland for what reason the Government did not provide the agrimonetary compensation available in 2000 to the *(a)* beef, *(b)* sheep and *(c)* arable sectors; and if he will make a statement. [120756]

Mr. Ingram: Compulsory agrimonetary compensation totalling up to £88 million will be payable in 2000 to the UK arable, beef and sheep sectors. The Prime Minister's announcement of 30 March 2000 made available further optional compensation totalling £66 million to the beef, sheep and dairy sectors. This balanced the difficulties faced by the agricultural industry with the impact on the UK Exchequer. Drawing down agrimonetary compensation (which must be paid on a UK-wide basis) has considerable public expenditure implications: once the Fontainbleau rebate is taken into account, the cost of the 30 March agrimonetary package to the UK Exchequer is approximately £50 million. Expenditure of the magnitude involved must be judged carefully against the many competing demands on the public purse.

Union Flag

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland whether a Union flag has been provided at the Roads Service Maintenance Depot, Ballinahone, Armagh City; who has been made responsible for hoisting

the Union flag at these premises on the designated dates; whether St. Patrick's day and Easter day were recognised by the flying of the Union flag at these premises; and if he will make a statement about the arrangements to fly the Union flag at this Depot. [120796]

Mr. Ingram: Responsibility for the subject in question has been delegated to the Roads Service under its chief executive, Mr. C. James.

I have asked him to arrange for a reply to be given.

Letter from C. James to Mr. John D. Taylor, dated 8 May 2000:

The Secretary of State for Northern Ireland has asked me to respond to your recently tabled Parliamentary Question about the flying of the Union Flag at the Roads Service Maintenance Depot, Ballinahonemore Road, Armagh.

I can advise that a Union Flag has been provided at the Depot and that the Premises Officer for the building is responsible for flying the flag on the designated dates. Regrettably, due to an oversight, the flag was not flown on St. Patrick's Day or Easter Day this year. I have, however, reminded relevant staff of the instructions for flags to be flown on designated dates.

I hope you find this information helpful.

Public Authorities

Mr. McGrady: To ask the Secretary of State for Northern Ireland when he will make an order listing the public authorities to be designated under section 75(3)(a) and (d) of the Northern Ireland Act 1998; what bodies are to be included in the initial order; and what bodies he proposes to consult in relation to the second order. [120702]

Mr. Mandelson: The majority of public bodies to which section 75 of the Northern Ireland Act 1998 applies are identified in the legislation. In relation to designation under section 75(3)(a) and (d) of the Act, it is intended to lay before Parliament, as soon as possible, an order which will list a number of bodies in respect of which consultation is complete. In regard to the second order, it is intended to consult a number of additional bodies suggested by the Equality Commission and which carry out functions relating to Northern Ireland.

AGRICULTURE, FISHERIES AND FOOD

BSE

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food if he will call for a report on recent research in Switzerland concerning tests capable of detecting sub-clinical infection of BSE. [120652]

Ms Quin: A Swiss company, Prionics, has developed a test for the post mortem diagnosis of BSE in cattle, the Prionics Check Test. In a recent evaluation of selected BSE screening diagnostic tests conducted under the auspices of the European Commission, the Prionics Check Test detected all clinically affected animals which were histopathologically positive. Prionics have also published the results of a validation of their test on clinical cattle. Swiss authorities have used the test to survey healthy cattle slaughtered for human consumption, casualty animals also slaughtered for human consumption and fallen stock. They have identified a small number of positive animals, especially among the casualty and fallen stock categories.

This test was employed in a survey of British cattle more than five years of age slaughtered under the over-thirty-months scheme. The survey involved the examination of a systematic sample of 4,136 cattle. The Prionics Check Test was not found to be more sensitive than conventional histopathological examination of brain samples. The comparative data obtained by histopathological diagnosis at the Veterinary Laboratories Agency indicate that the Prionics Check Test is capable of detecting BSE-infected animals only three months or less before the onset of clinical signs and, at present, cannot be regarded as being capable of detecting BSE-infected animals at an earlier stage.

Badger Culling

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food if he will list the *(a)* number and *(b)* species of non-target animals which have been caught in cage traps set for badgers in the TB trial cull; if he will indicate (i) the number which were injured but released, (ii) the number which (A) were found dead and (B) needed to be dispatched as a result of their injuries and (iii) the nature of the injuries; and if he will make a statement. [120775]

Ms Quin *[holding answer 4 May 2000]:* In trial operations to date 373 non-target animals and birds have been captured, of which 336 were released uninjured. For the remainder the information requested is as follows:

Species	*Number found dead*	*Number found injured and despatched*	*Nature of injuries*
Grey Squirrel	5	10	caught in mesh bars of trap
Pheasant	5	9	head injuries
Rook	2	1	wing/leg damage
Jay	1	3	wing/leg damage
Fox	0	1	serious mange

No injured animals were released.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what plans he has for the badger culling trial to observe a closed season; and if he will make a statement. [120776]

Ms Quin *[holding answer 4 May 2000]:* The badger culling trial incorporates a closed season from 1 February to 30 April inclusive. During this period no trapping or culling takes place.

Fishing Industry

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food when and for what reason he decided to transfer 200 tonnes of plaice and sole to Belgium; and what consultations he held with the industry. [119236]

Mr. Morley: A "gentlemen's agreement" has been reached with Belgium, Ireland and the Netherlands—welcomed by the UK industry—on the withdrawal of beam trawlers until 1 May from the northern part of the Irish sea closed to protect spawning cod. In the context of arriving at that agreement, the UK undertook to transfer 190 tonnes of North Sea plaice and 5 tonnes of sole in ICES Areas VIId and VIIfg to the Belgian authorities for them to allocate.

This transfer was in recognition of the good will shown by the Belgians, who have substantial flatfish quotas in the Irish sea, in reaching agreement with us and of our on-going co-operation with them in matters of quota management including assistance with quota transfer to ourselves. The transfer was not the subject of prior consultation with the industry but it came from stocks that were underfished in 1999, particularly North sea plaice where the underfish exceeded 10,000 tonnes.

No British fisherman will suffer a reduction in fishing opportunities as a result of this arrangement. 50 tonnes of North sea sole obtained through economic link license conditions has also been allocated to the inshore sector.

Bovine TB

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food how many confirmed cases of bovine TB there were in Staffordshire and Derbyshire in *(a)* 1997, *(b)* 1998 and *(c)* 1999; and if he will make a statement. [120778]

Ms Quin *[holding answer 4 May 2000]:* The number of herds in Staffordshire and Derbyshire where bovine TB has been confirmed were:

	Derbyshire	*Staffordshire*
1997	1	24
1998	6	30
1999	19	35

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food how many badger road casualties tested as positive for bovine TB in *(a)* Staffordshire, *(b)* Derbyshire, *(c)* Cheshire, *(d)* Shropshire and *(e)* England and Wales in (i) 1997, (ii) 1998 and (iii) 1999. [120772]

Ms Quin *[holding answer 4 May 2000]:* In the period concerned, badger road casualties were collected at the discretion of Divisional Veterinary Managers. The number of badger road casualties that tested positive for bovine TB were:

	1997	*1998*	*1999*
Staffordshire	6	8	6
Derbyshire	0	0	2
Cheshire	0	0	0
Shropshire	2	0	0
England and Wales	80	101	71

[1] In 1999 carcases were collected only between January and August.

Fallen Stock

Mr. Gray: To ask the Minister of Agriculture, Fisheries and Food, pursuant to the answer of 12 April 2000, *Official Report*, column 220W, on fallen stock, how many knackermen own approved incinerators for the disposal of specified risk material. [120769]

Ms Quin *[holding answer 4 May 2000]:* Twenty-six knackers' yards have incinerators which are approved to incinerate specified risk material.

SCOTLAND

Assisted Areas

Mr. David Stewart: To ask the Secretary of State for Scotland how many responses were received by his Department in respect of the revised assisted areas map; and how many responses *(a)* objected to and *(b)* supported the removal of Inverness, Nairn, Badenoch, and Strathspey from the proposed map. [120924]

Dr. Reid *[holding answer 5 May 2000]:* During the consultation period following the 10 April announcement of revised Assisted Area map proposals, a total of 83 responses were received by my Department, of which a total of 63 related to all of or parts of Inverness, Nairn, Badenoch and Strathspey areas.

Mr. David Stewart: To ask the Secretary of State for Scotland what the criteria were which excluded Inverness, Nairn, Badenoch and Strathspey from the revised assisted areas map. [120926]

Dr. Reid *[holding answer 5 May 2000]:* The July 1999 Assisted Area map proposals put forward the Highlands and Islands NUTS 2 area as a whole, for inclusion on the basis of its population sparsity. However, the European Commission would not accept this, and the Inverness NUTS 3 area does not on its own meet the sparsity criterion.

Mr. David Stewart: To ask the Secretary of State for Scotland if he will rank Scottish constituencies by *(a)* the reduction and *(b)* the increase in population coverage proposed in the revised assisted areas map. [120927]

Dr. Reid *[holding answer 5 May 2000]:* The information requested is contained in the table (but see note following).

Scottish parliamentary constituencies with reduced population coverage, comparing the revised Assisted Areas map proposals published in April 2000 against the earlier proposals published in July 1999

Parliamentary constituency	*Population change*
Pollok	61,862
Inverness East, Nairn and Lochaber	55,451
Cathcart	36,536
Moray	24,329
Angus	22,244
Carrick, Cumnock and Doon Valley	19,649
Ross, Skye and Inverness West	19,367
Govan	8,846
Clydesdale	7,991
Edinburgh West	7,006
Roxburgh and Berwickshire	6,218
Falkirk West	6,160
Edinburgh North and Leith	6,036
Dumbarton	6,015
Paisley South	5,800
Falkirk East	5,011
Airdrie and Shotts	4,734
Rutherglen	1,842

Scottish parliamentary constituencies with increased population coverage, comparing the revised Assisted Areas map proposals published in April 2000 against the earlier proposals published in July 1999

Parliamentary constituency	*Population change*
Dundee East	31,275
Greenock and Inverclyde	30,920
Maryhill	29,888
Anniesland	29,009
East Kilbride	23,616
Galloway and Upper Nithsdale	20,266
Livingston	16,764
Tweeddale, Ettrick and Launderdale	14,837
Dundee West	14,684
Kelvin	9,717
Paisley North	5,806
Coatbridge and Chryston	5,213
Hamilton South	5,051
Ayr	4,824
West Renfrewshire	4,816
Clydebank and Milngavie	4,197
Dumfries	2,587
Eastwood	602
Stirling	236

Note:
These figures are based on population data for 1991 wards. Several Parliamentary Constituency and ward boundaries have changed since 1991, therefore a 1991 ward may be shared between more than one parliamentary constituency. Due to this, the above data has been compiled on a 'best fit' basis.

CULTURE, MEDIA AND SPORT

Millennium Dome

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport how many corporate hospitality events have taken place at the dome to date; and how many are planned. [119307]

Janet Anderson *[holding answer 17 April 2000]:* During the period 1 January to 15 April 2000 there were 456 corporate hospitality events. For the period 16 April to 31 December 2000 there are 105 confirmed events and a further 476 provisional bookings awaiting confirmation.

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport how much financial contribution to the New Millennium Experience Company corporate hospitality events at the dome *(a)* have made to date and *(b)* are expected to make. [119308]

Janet Anderson *[holding answer 17 April 2000]:* To date corporate hospitality events have represented 17 per cent. of total catering sales. Corporate hospitality events are expected to represent approximately 20 per cent. of all catering sales.

Forth Rail Bridge

Mr. Dalyell: To ask the Secretary of State for Culture, Media and Sport what action he has taken since June 1999 to promote the inclusion of the Forth Rail Bridge as a UNESCO World Heritage Site; what progress has been made with preparing a management plan as required by UNESCO for such sites; and if he will make a statement. [120865]

Mr. Alan Howarth *[holding answer 8 May 2000]:* Responsibility for nominating the Forth Bridge to UNESCO for World Heritage (WH) Site status, including arrangements for producing a Management Plan, lies with the Scottish Executive. The Forth Rail Bridge is one of 25 sites included in the UK's Tentative List of sites which may be nominated to UNESCO for WH Site status over the next 10 years. My Department is liaising with the Devolved Administrations and other interested bodies over the order and timing of future nominations, taking into account the UNESCO World Heritage Committee's priorities for action.

SOCIAL SECURITY

Back to Work Bonus

Mr. Matthew Taylor: To ask the Secretary of State for Social Security what assessment he has made of the effectiveness of the back to work bonus; and if he will make a statement. [120802]

Angela Eagle: An evaluation of the back to work bonus has recently been completed, with the publication in April of the final report "Prospects of Part-Time Work: the Impact of the Back to Work Bonus". A copy has been placed in the Library.

We will ensure that the back to work bonus continues to complement other measures that provide cash help for people moving from benefits to work.

Job Seeker's Allowance

Mr. Matthew Taylor: To ask the Secretary of State for Social Security what *(a)* proportion and *(b)* number of people who claimed job seeker's allowance in 1999 declared part-time work; what their average earnings were (i) per hour and (ii) per week; and if he will make a statement. [120801]

Angela Eagle: The information is not available in the format requested. Such information as is available is in the table.

Job Seeker's allowance (income-based) claimants with part-time earnings, February to November 1999

	Number
Number of claimants	33,000
Average weekly part-time earnings	£28.31
Percentage of total JSA(IB) claimants	3.6

Notes:
1. Figures are based on a four-quarterly average of point in time surveys throughout 1999.
2. Claimant figure has been rounded to the nearest thousand.
3. Sample size 5 per cent., therefore subject to sampling error.
4. No account is taken of any partner's earnings.
5. Numbers represent income-based JSA cases where either an amount is taken into account or disregarded from their benefit. It will not therefore include claimants who declare work but receive no remuneration.
6. Information about the hourly level of average earnings is not available.

Source:
Jobseeker's Allowance Statistics Quarterly Inquiries, February to November 1999.

Stakeholder Pensions

Dr. Cable: To ask the Secretary of State for Social Security what estimate the Government have made of the impact of demutualisation of life insurers and private pension providers on the provision of stakeholder pensions. [121031]

Mr. Rooker: It is expected that both mutual and shareholder owned providers will be offering stakeholder pensions from April 2001. Both will operate under the same rules. There is no indication that demutualisation will have an impact on the provision of stakeholder pensions.

Family Support

Mr. Gerald Howarth: To ask the Secretary of State for Social Security what initiatives have been introduced since 1 May 1997 to support the family, with particular reference to cases in which there are children at risk. [120674]

Angela Eagle: We are committed to giving children the best possible start. Measures announced so far in this Parliament will help lift 1.2 million children out of poverty, and are a major step in achieving our commitment to eradicating child poverty. Measures since 1 May 1997 include:

Child Benefit (CHB)—36 per cent. increase in rate for eldest child. Further above-inflation rise April 2000: standard rate CHB £15 for eldest child, £10 for other children.

Income-related benefits—child allowance for under-11s up by £4.70 from last October. New allowance for children aged 0–16 now £26.60. Support for children under 11 in the income-related benefits up by over 50 per cent. in two years.

Sure Start Maternity Grant—April 2000: payments double from £100 to £200, and to £300 from this autumn.

Working Families Tax Credit (WFTC)—extra help for low-income working families. Includes new allowance for disabled children, extra £21.90 on top of other child allowances, and from June, a £4.35 increase in under-16 child credit (Income Support/Jobseeker's Allowance/Housing Benefits child allowance increase from October).

Childcare Tax Credit—part of WFTC, 70 per cent. of eligible child care costs up to a maximum of £100 for one child, £150 for two or more.

Children's Tax Credit—April 2001, new Tax Credit, worth up to £442 a year.

Integrated Child Credit—from 2003, will bring together different strands of help for children currently contained in benefits and tax system.

In all, we will provide an additional £7 billion a year in new tax and benefit measures for families with children by the end of this Parliament. By April 2001, as a result of budget changes to personal tax and benefits, families with children will be, on average, £850 a year better off.

Later this year we will be publishing our second annual report on tackling poverty and social exclusion, monitoring progress so far.

Winter Fuel Payments

Mr. Willetts: To ask the Secretary of State for Social Security how many people aged 60 years and above are ineligible for the winter fuel payments because they *(a)* are in (i) residential care, (ii) nursing homes and (iii) local authority residential accommodation, *(b)* live abroad, *(c)* are in prison and *(d)* are in hospital. [120384]

Angela Eagle: Winter Fuel Payments are provided to older people who are ordinarily resident in Great Britain to help towards their winter heating costs. Where someone is already receiving public assistance with their heating costs it is inappropriate for a Winter Fuel Payment to be made. For example, payments are inappropriate for people living permanently in residential care or nursing homes who also receive help through Income Support or income-based Jobseeker's Allowance. It is also inappropriate for Winter Fuel Payments be made to people who do not contribute towards their heating costs, such as those serving a prison sentence or those who have been receiving free hospital in-patient treatment.

The estimated number of people aged 60 or over who were receiving public assistance during the winter of 1999 are set out by category:

	Number
Residential care homes	199,000
Nursing homes	20,000
Local Authority residential accommodation	6,000
Sentenced prisoners	900
Hospital in-patients	12,000

Note:
Numbers are rounded to the nearest thousand.

All estimates are for November 1999 except the estimate for hospital in-patients which is for March 1999. It is not possible to estimate the number of people aged 60 or over who are ineligible for a Winter Fuel Payment because they live abroad, as we do not hold records for those among them who do not receive a social security benefit.

Family Benefits

Mr. Willetts: To ask the Secretary of State for Social Security how many families have been in receipt of *(a)* family credit and *(b)* the working families tax credit in each month since May 1997. [121035]

Angela Eagle: Family Credit was replaced with Working Families Tax Credit (WFTC) from 5 October 1999.

The information is in the table.

Numbers of families in receipt of family credit and WFTC, for each month from May 1997

Thousand

Month	*Family credit*	*WFTC*	*Total*
May 1997	748	—	748
June 1997	760	—	760
July 1997	764	—	764
August 1997	758	—	758
September 1997	761	—	761
October 1997	763	—	763
November 1997	766	—	766
December 1997	751	—	751
January 1998	754	—	754
February 1998	761	—	761
March 1998	767	—	767
April 1998	767	—	767
May 1998	767	—	767
June 1998	785	—	785
July 1998	786	—	786
August 1998	783	—	783
September 1998	785	—	785
October 1998	786	—	786
November 1998	791	—	791

Numbers of families in receipt of family credit and WFTC, for each month from May 1997

Thousand

Month	*Family credit*	*WFTC*	*Total*
December 1998	780	—	780
January 1999	780	—	780
February 1999	789	—	789
March 1999	792	—	792
April 1999	793	—	793
May 1999	791	—	791
June 1999	801	—	801
July 1999	797	—	797
August 1999	784	—	784
September 1999	758	—	758
October 1999	625	253	878
November 1999	464	467	931
December 1999	365	567	932
January 2000	249	703	952
February 2000	109	877	986
March 2000	—	994	994

Notes:
1. These figures, and in particular the WFTC figure for March, exclude awards made after March and backdated.
2. Figures are for Great Britain only.
3. Sample size 5 per cent., therefore subject to sampling error.
4. Figures have been rounded to the nearest thousand.

Source:
Family Credit/Working Families Tax Credit 5 per cent. sample of awards.

WALES

Elected Mayors

Mr. Evans: To ask the Secretary of State for Wales what recent discussions he has had with the Local Government Association with regard to the introduction of elected mayors in Wales. [115583]

Mr. Hanson: I have discussed this and other issues relating to the Local Government Bill in a series of meetings with the Welsh Local Government Association over the last few months.

Mr. Evans: To ask the Secretary of State for Wales what plans he has for the remuneration of elected mayors in Wales. [115581]

Mr. Paul Murphy: The level of remuneration of elected mayors will be for their own local authorities to determine. The National Assembly for Wales and the Welsh Local Government Association are in the process of setting up a review of special responsibility allowances, which will recommend appropriate levels of allowances for senior councillors, including elected mayors. It is intended that the result of the review will be published before the summer.

Local Government

Mr. Barry Jones: To ask the Secretary of State for Wales what recent discussions he has had with the First Secretary concerning the efficacy of the cabinet system in the management of local government in Wales; and if he will make a statement. [118187]

Mr. Hanson: I am in regular contact with the Assembly Secretary for Local Government, Peter Law, over the provisions of the Local Government Bill which include provision for new executive structures for councils. The Government are committed to the modernisation of local government in England and Wales, and the new executive structures are vital to the overall aims of transparency, efficiency and accountability.

Written Answers to Questions

Wednesday 10 May 2000

ENVIRONMENT, TRANSPORT AND THE REGIONS

Public Toilets

Ms Julie Morgan: To ask the Secretary of State for the Environment, Transport and the Regions (1) how many public toilets were closed between April 1998 and April 1999; [120489]

(2) what plans he has to introduce best value performance indicators covering the provisions of public toilets; [120492]

(3) if he will make public toilet provision a statutory obligation for local government; [120491]

(4) what plans he has to tackle vandalism and drug misuse in public toilets. [120490]

Ms Beverley Hughes: Owing to changes in the definition used by the Audit Commission, it is not possible accurately to ascertain the total number of public toilets closed between April 1998 and April 1999. However, while the total number of public toilets counted in England increased from 6,128 to 6,643, the number of public toilets open more than 12 hours a day decreased from 6,128 to 4,133. Figures for Wales are not yet available.

The Audit Commission has specified, for the current financial year, a mandatory performance indicator for local authorities in respect of

> the number of conveniences sites provided by the authority normally throughout the year.

The Government have no plans to specify a best value performance indicator in this respect, or to replace the current discretionary power to provide public toilets with a statutory obligation.

The Government believe that the most effective way to tackle drug misuse and vandalism is through co-ordinated preventive action at a local level, involving all of the relevant agencies such as the police, local authorities and schools. That is why police and local authorities now have a statutory duty, under the Crime and Disorder Act 1998, jointly to develop partnerships to tackle crime and disorder in their area.

The strategies which have been produced by the 376 partnerships in England and Wales include a wide range of initiatives—many of which specifically target drug misuse and criminal damage.

GM Crops

Mr. Caton: To ask the Secretary of State for the Environment, Transport and the Regions what action his Department takes to warn beekeepers when genetically modified crops are planted close to their apiaries. [120696]

Mr. Meacher: The legislation requires that proposed locations of releases of GM crops for research purposes (Part B) have to be advertised locally before sowing takes place. The advertisement must give information on the name and address of the applicant, the GM crop, the location and general purpose of the trial and the foreseen sowing dates. A full list of current and proposed releases is on my Department's website and on the Public Register.

Once a GM crop has Europe-wide consent for placing on the market (Part C), there is no requirement for prior notification of planting. However, only one such crop is currently grown in the UK, as part of the Farm Scale Evaluations programme. Under the agreement between the Government and the industry body, SCIMAC, the locations of the Evaluations will be published on my Department's website and the farmers involved will alert their neighbours.

Water Charging

Mr. Swayne: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to alter the water charging regime to allow the use of council tax bands as an alternative to metering. [121025]

Mr. Mullin: Under the Water Industry Act 1999, companies must produce charges schemes, which include details of the basis on which they wish to charge for water and sewerage services to homes. Schemes are subject to approval by the Director General of Water Services.

My right hon. Friend the Secretary of State has issued guidance to the Director General on the approval of schemes for companies operating wholly or mainly in England. In considering whether or not to approve a new basis of unmeasured charging, key factors are the transitional effects of any change, any proposals for managing such effects and the impact of the new basis of charging on different groups, particularly vulnerable customers. Because of the potential social impacts on customers, the Director should not approve the widespread introduction of new unmeasured charging arrangements, without full consultation with the Secretary of State. There is no statutory bar on such arrangements being based on council tax. The Government will continue to consider any proposals that come forward provided that they address the key factors.

The Secretary of State's guidance under the 1999 Act and other background on water charging policy is set out in "Water Industry Act 1999—Delivering the Government's Objectives" published on 3 February, a copy of which is in the Library of the House.

Lone Parents

Mr. Willetts: To ask the Secretary of State for the Environment, Transport and the Regions how many lone parents aged under 18 years *(a)* are living in semi-supervised accommodation and *(b)* have lone tenancy of a council house. [121060]

Mr. Mullin: The only information currently available centrally is for new lettings of supported accommodation by Registered Social Landlords. In England from April 1998 to September 1999 there were 276 such lettings to lone parents under the age of 18.

As part of the follow-up to the Social Exclusion Unit report on Teenage Pregnancy, local authorities are being asked to carry out an audit of the provision of and need for semi-independent housing with support for 16 and 17-year-old lone teenage parents in their area.

Raptors

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions how many licences under the Wildlife and Countryside Act 1981 for the removal of peregrine have been issued in each of the last five years for which figures are available; and if he will make a statement. [121117]

Mr. Meacher: This information is published in annual reports submitted by my Department, on behalf of the United Kingdom, to the European Commission, to meet the requirements of Article 9(3) of the European Community Directive on the Conservation of Wild Birds (79/409/EEC). These reports provide the reasons for each derogation made under Article 9 and therefore contain details of all licences issued under the 1981 Act, including any for the removal of peregrine.

The most recent report, the eighteenth, was published in January 2000 and covers the period 1 January—31 December 1998. It contains details of about 230 derogations in relation to peregrines for a variety of reasons, such as research and teaching. The majority do not involve permanent removal. As in previous years, the report will be made available in the House Libraries.

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received following the publication of the report of the UK Raptor Working Group; and if he will make a statement. [121116]

Mr. Meacher: My Department has received a number of representations on the report of the Raptor Working Group from a range of organisations. I welcome the publication of this report and its recommendations and hope it will help provide an integrated solution to the problems presented by birds of prey to game bird managers and pigeon fanciers. My Department will shortly be seeking English Nature's advice on the implementation in England of the report's recommendations in light of these representations.

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions which organisations tendered for the project, "A Study into the Raptor Predation of Domestic Pigeons", published in March; which organisation was awarded the tender; and what the qualifications were of the individuals who researched and wrote the study. [121118]

Mr. Meacher: In 1995 my Department let a research contract to assess the impact of raptor predation on pigeons and to investigate the effectiveness of non-lethal deterrents.

Tenders for the research contract were received from the Royal Agricultural College and the Hawk and Owl Trust. The contract was awarded to the Hawk and Owl Trust on the basis that they provided the best and most cost-effective methodology for investigating the extent of predation.

The research was undertaken and the report written by Hawk and Owl Trust members who have had a long history of involvement in various aspects of raptor ecology and research. They also have an extensive knowledge and experience of various aspects of survey work and are authors of numerous books, papers and articles on related topics.

Air Traffic Control

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions when all the air traffic controller posts in NATS will be filled. [121296]

Mr. Mullin: The three vacancies in NATS Airports Services operations are expected to be filled by the middle of June. There are currently no shortages of controllers in NATS Area Control operations.

Hydrocarbons

Mr. Derek Twigg: To ask the Secretary of State for the Environment, Transport and the Regions what is his estimate of the quantity of hydrocarbons in industrial use in the UK *(a)* in total and *(b)* by each standard industrial sector classification. [120428]

Mr. Meacher *[holding answer 8 May 2000]:* This information is not currently available to the Department of the Environment, Transport and the Regions and could not be collated without incurring disproportionate cost.

Hydrocarbons are common organic compounds, examples of which include natural gas; butane; propane; petroleum, diesel fuels, diesel oils, motor oils, motor fuels, marine oils, marine fuels, hydraulic fluids, crude oil, lubricating oils. As their type and application are so widely varied the collection of this information would prove extremely resource intensive.

Correspondence

Mr. McLoughlin: To ask the Secretary of State for the Environment, Transport and the Regions when the hon. Member for West Derbyshire will receive a reply to his letter of 20 March about the Orange Badge Scheme for disabled drivers. [121443]

Mr. Hill: I responded to the hon. Member on Tuesday 9 May.

Exeter-Waterloo Line

Mr. Ashdown: To ask the Secretary of State for the Environment, Transport and the Regions what plans the Government have to alter the rail franchise which covers the Exeter to Waterloo Line; and if he will make a statement. [121225]

Mr. Hill: The Franchising Director has announced that he is considering replacement of the existing South West Trains franchise with an option to include or exclude Exeter to Waterloo services. This is one of a number of alterations being considered to the existing franchise map, but on which no firm decisions have yet been taken.

Standard Spending Assessment

Mr. Ashdown: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the standard spending assessment per head of population for each English local authority for the most recent year for which information is available, ranked in descending order of allocated expenditure per head; and if he will make a statement. [121307]

Ms Armstrong: Two tables have been placed in the Library. The first table gives the 2000–01 Standard Spending Assessments (SSAs), the mid-98 population estimate and the SSA per head, together with the ranking for education authorities. The second table provides similar information for shire districts. The tables have been sorted and ranked in descending order of SSA per head. It would be inappropriate to compare shire districts with education authorities since they have vastly different responsibilities.

Pollution Prevention and Control

Miss McIntosh: To ask the Secretary of State for the Environment, Transport and the Regions what representation he has received on the implementation of the Integrated Pollution Prevention and Control Directive; and if he will make a statement. [120453]

Mr. Hill: Copies of representations, unless marked confidential, are kept on the Department's files where they may be viewed. The Department has just issued its fifth consultation paper on the implementation of the Integrated Pollution Prevention and Control Directive. This includes a summary of the representations from the fourth consultation paper.

Representations from previous consultation papers have been received from:

Academic Organisations
Central Government
Consultants
Environmental Groups
Industry
Legal Establishments
Local Government
Private Individuals
Trade Associations.

DEFENCE

Correspondence

Dr. Cable: To ask the Secretary of State for Defence for what reason he has not replied to the letter from the hon. Member for Twickenham of 17 August 1999 regarding conditions of service of members of the TA. [120989]

Mr. Spellar: I wrote to the hon. Member on 9 May.

Armed Services (Egg Suppliers)

Mr. Gill: To ask the Secretary of State for Defence what proportion of *(a)* eggs and *(b)* egg products purchased for the armed services in the last year for which figures are available were of British origin. [121352]

Dr. Moonie: The supply of food for the Armed Forces is contracted out to "3663". They advise that 100 per cent. of the eggs and egg products supplied to our forces based in the UK in the 12 month period ending March 2000 were of British origin. Supplies of eggs and egg products for our forces based overseas, which make up approximately 7 per cent. of the total requirement, were in the main sourced locally.

Garrison Churches, Aldershot

Mr. Gerald Howarth: To ask the Secretary of State for Defence if he will make a statement on the future of the three garrison churches in Aldershot. [120932]

Mr. Spellar *[holding answer 8 May 2000]:* A study is under way to consider the redevelopment of the Aldershot Garrison and this will encompass all the buildings, including the churches. Any proposal concerning the Garrison Churches will be discussed with the relevant bodies prior to any decision being made.

Trident

Laura Moffatt: To ask the Secretary of State for Defence what is the latest estimate of the cost of the Trident acquisition programme; and if he will make a statement. [121749]

Mr. Hoon: The current estimate of the total acquisition cost of the Trident programme, with payments already made expressed at the prices and exchange rates actually incurred and future spend at the current financial year exchange rate (the hybrid estimate), is now £9,745 million. Leaving aside the effects of price inflation (+£12 million), there has been a real cost reduction since last year of £23 million. Expenditure on the Trident acquisition programme to 30 September 1999 represented some 96 per cent. of this estimate. If all expenditure, past and projected, is brought up to the current year's economic conditions (the non-hybrid estimate) the estimate is £13,170 million.

Estimate table

£ million

	US	*UK*	*Total*
Hybrid			
Previous estimate (April 1999) at 1998–99 economic conditions (£1=$1.6269)	2,873	6,883	9,756
Real Changes	−16	−7	−23
Price Inflation on unspent balance	+2	+10	+12
Exchange Rate Variation	0	n/a	0
Revised Estimate at 1999–2000 economic conditions (£1=$1.6269)	2,859	6,886	9,745

Estimate table

£ million

	US	*UK*	*Total*
Non-hybrid			
Previous estimate (April 1999) at 1998–99 economic conditions (£1=$1.6269)	3,448	9,423	12,870
Real Changes	−16	−7	−23
Price Inflation on unspent balance	+64	+258	+323
Exchange Rate Variation	0	n/a	0
Revised Estimate at 1999–2000 economic conditions (£1=$1.6269)	3,496	9,674	13,170

Note:
Figures rounded to nearest £ million hence any apparent imbalances.

FOREIGN AND COMMONWEALTH AFFAIRS

Departmental Communications Systems

Mr. Gapes: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to modernise his Department's communications systems. [121806]

Mr. Robin Cook: The Foreign and Commonwealth Office will today sign a contract with Global Crossing to provide a new telecommunications network and associated telecommunications services. The contract has been negotiated as part of the Private Finance Initiative, and will run for a 10 year period. The projected Net Present Value of the contract is £106 million. The total cost of the contract over the 10 year period is projected at £165 million.

HOUSE OF COMMONS

Procurement (British Goods)

Mr. Baker: To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, what the policy is of the House in respect of public procurement and buying British goods; and what changes there have been in this policy since May 1997. [120823]

Mr. Kirkwood: The policy of the House is to procure all works, services and supplies in accordance with the relevant European Public Procurement Directives which ensures that British companies are given equal opportunity to secure House business.

EDUCATION AND EMPLOYMENT

Disability Legislation Compliance Cost

Mr. Boswell: To ask the Secretary of State for Education and Employment what studies have been undertaken into the compliance costs for *(a)* further and *(b)* higher education of their forthcoming involvement in disability discrimination legislation. [119320]

Mr. Wicks *[holding answer 18 April 2000]:* The Government issued a consultation document on 17 March covering how disability rights in education might be implemented. The consultation period ended on 28 April. The costs of compliance in further and higher education will be estimated in the light of an analysis of responses to the document.

Higher Education (Access)

Mr. Hilary Benn: To ask the Secretary of State for Education and Employment what plans he has to widen access to higher education. [121618]

Mr. Blunkett: My Department already has a range of initiatives to increase participation of disadvantaged groups. For instance, through the Excellence in Cities programme we are giving 5,000 gifted and talented 16 and 17-year-olds a taste of university life this summer. I can confirm that we will be providing new bursaries, worth up to £1,000 a year, that will give those from disadvantaged backgrounds the extra financial incentive and confidence they need to embark on a higher education course. These bursaries, which will be introduced from next year, will be known as "opportunity bursaries". However, more action is required if we are to extend the opportunities of higher education to all those capable of benefiting from it.

Today, I am pleased to announce a further package of measures that will open up new horizons to people from disadvantaged groups. This package includes:

a further £4 million to help recruit and retain bright students from areas with records of low participation in higher education. The money will add to the £18 million already available to help high achievers from these areas;

extension of disabled student allowances of up to £5,000 a year to post-graduate students; and

a grant of £63,000 to support a number of initiatives by the Sutton Trust. Both these measures and existing initiatives will become part of a concerted access drive that will enable those traditionally excluded from higher education to take advantage of a university education.

Further Education Corporations (Mergers)

Mr. Boswell: To ask the Secretary of State for Education and Employment if he will list in date order mergers between further education corporations since April 1993, specifying whether each amounted to a transfer or merger of undertakings. [121301]

Mr. Wicks: There are two types of mergers: the first is a single dissolution where one further education corporation is dissolved and its property, rights and liabilities are transferred to another corporation; and the second is where two or more corporations are closed and their property, rights and liabilities are transferred to a new corporation. The name of the continuing or new corporation, as the case may be, may also change at the time of the merger.

The table lists all mergers between further education corporations since 1 April 1993.

Date	Colleges	Type of merger	Name of merged Institution
2 April 1993	St. Austell Sixth Form College and Mid-Cornwall College	Double dissolution	St. Austell College
1 September 1993	Cleveland College of Further Education and Sir William Turner's Sixth Form College	Double dissolution	Cleveland Tertiary College
15 August 1995	The Ridge College and Margaret Danyers College	Double dissolution	Ridge Danyers College
1 August 1995	Ackham Sixth Form College and Kirby College of Further Education	Double dissolution	Middlesbrough College
1 August 1995	Longlands College of Further Education and Marton Sixth Form College	Double dissolution	Teesside Tertiary College
1 March 1996	Hinckley College and North Warwickshire College for Technology and Art	Double dissolution	North Warwickshire and Hinckley College
1 August 1996	Mid Warwickshire College and Warwickshire College for Agriculture, Horticulture and Equine Studies	Single dissolution (WCAHES)	Warwickshire College, Royal Leamington Spa and Moreton Morrell
1 August 1996	Monkwearmouth College and Wearside College	Double dissolution	City of Sunderland College
1 September 1996	South Bristol College and Brunel College of Arts and Technology	Double dissolution	City of Bristol College
6 January 1997	Reading College of Arts and Technology and Berkshire College of Art and Design	Single dissolution (BCAD)	Reading College of Arts and Technology
1 August 1997	Prior Pursglove College and South Park Sixth Form College	Single dissolution (SPSFC)	Prior Pursglove College
10 May 1997	Worcestershire College of Agriculture and Pershore College of Horticulture	Single dissolution (WCA)	Pershore and Hindlip College
18 February 1998	Hyde Clarendon College and Tameside College	Single dissolution (HCC)	Tameside College
1 August 1998	Airedale and Wharfedale College and Park Lane College	Single dissolution (A&WC)	Park Lane College
1 August 1998	Cambridgeshire College of Agriculture and Horticulture and Norfolk College of Arts and Technology	Single dissolution (CCAH)	College of West Anglia
1 August 1998	Clarendon College and Basford Hall College	Single dissolution (BHC)	New College, Nottingham
1 August 1998	East Birmingham College and Handsworth College	Single dissolution (EBC)	City College, Birmingham
1 August 1998	North Bolton College and South College, Bolton	Double dissolution	Bolton Sixth Form College
1 April 1999	York College of Further and Higher Education and York Sixth Form College	Single dissolution (YSFC)	York College
1 June 1999	Durham College of Agriculture and Horticulture and East Durham Community College	Double dissolution	East Durham and Houghall Community College
1 August 1999	Charles Keene College of Further Education and Leicester South Fields College	Double dissolution	Leicester College
1 April 1999	New College, Nottingham and High Pavement Sixth Form College	Single dissolution (HPSFC)	New College, Nottingham
1 June 1999	Greenhill College, Harrow and Weald College	Double dissolution	Harrow College
1 August 1999	Holme Lacey College and Pershore and Hindlip College	Single dissolution (Holme Lacey)	The Pershore Group of Colleges
1 September 1999	New College, Nottingham and Arnold and Carlton College	Single dissolution (Arnold and Carlton)	New College, Nottingham
1 October 1999	Bilston Community College and Wulfrun College	Single dissolution (Bilston College)	Wolverhampton College
1 January 2000	Kirkley Hall College and Northumberland College	Single dissolution (Kirkley Hall)	Northumberland College

Education Funding (Somerset)

Mr. Ashdown: To ask the Secretary of State for Education and Employment (1) what is his latest estimate for real spending on secondary schools in Somerset for each year from 1992–93 to 2000–01; and if he will make a statement; [121222]

(2) what is his estimate of real spending per pupil in secondary schools in Somerset for each year from 1992–93 to 2000–01, expressed in 1998–99 prices; and if he will make a statement. [121223]

Ms Estelle Morris: Spending on secondary schools in Somerset, and on a per pupil basis, from 1992–93 to 1998–99, the latest year for which this information is available, is set out in the table. The figures are based on Net Institutional Expenditure and expressed at 1998–99 prices.

Secondary spending at 1998–99 prices

	£ million	£ per pupil
1992–93	71.5	2,578
1993–94	67.3	2,446
1994–95	66.3	2,381
1995–96	68.2	2,424
1996–97	66.4	2,352
1997–98	65.2	2,295
1998–99	[1]68.5	[1]2,378

[1] Provisional

The next table sets out the resources being made available to Somerset local education authority for secondary education as part of the drive to raise standards. These figures are not directly comparable with the net institutional figures set out above. The special and specific grant totals include the money for schools announced in the Budget on 21 March.

£ per pupil secondary

	Standard Spending Assessment	*Special and Specific Grants*
1998–99	2,747	66
1999–2000	2,859	100
2000–01	2,984	199

Education Authority Performance

Mr. Ashdown: To ask the Secretary of State for Education and Employment if he will list the 20 education authorities with *(a)* the poorest record of pupil performance in GCSE examinations and *(b)* the highest administration costs (i) per pupil and (ii) as a proportion of their total education budget; and if he will make a statement. [121224]

Ms Estelle Morris: The following tables show, for 1999–2000, *(a)* the 20 local education authorities with the least proportion of pupils gaining five or more passes at grades A to C in GCSE examinations and *(b)* the 20 local education authorities with the highest central administration costs (i) per pupil and (ii) in relation to their total education budget.

(a) Percentage of pupils gaining five or more passes in GCSE at grades A-C

Kingston-upon-Hull UA	23.4
Knowsley	23.6
Islington	27.4
Hackney	27.8
Nottingham City	28.7
Southwark	29.5
Sandwell	29.7
Manchester	30.2
Haringey	30.3
Bristol UA	31.0
Middlesborough UA	31.0
Tower Hamlets	31.1
Greenwich	31.7
Lambeth	31.9
Bradford	32.1
Portsmouth UA	32.2
Lewisham	32.3
Barnsley	32.4
Liverpool	32.4
Newcastle upon Tyne	33.6

(b)(i) Central administration costs [1]	*£ per pupil*
Kensington and Chelsea	167
Greenwich	127
Manchester	126
Islington	104
Haringey	103
Southwark	100
Camden	99
Tower Hamlets	97
Merton	95
Lewisham	94
Bracknell Forest	90
Middlesbrough	83
Redbridge	82
Blackburn with Darwen	81
Hammersmith and Fulham	81
Hounslow	78
Waltham Forest	77
Harrow	76
Hackney	76
Barnet	75

[1] Central costs on statutory and regulatory duties. Corporation of London and the Isles of Scilly have been excluded because of their very small size.

(b)(ii) Central administration costs [1]	*As percentage of total education budget*
Manchester	3.88
Greenwich	3.53
Merton	3.25
Kensington and Chelsea	3.20
Bracknell Forest	3.20
Middlesbrough	3.10
Haringey	2.81
Islington	2.81
Redbridge	2.80
Blackburn with Darwen	2.76
Bury	2.75
Herefordshire	2.68
Swindon	2.65
East Sussex	2.61
Hartlepool	2.57
Redcar and Cleveland	2.56
Lewisham	2.56
Wokingham	2.55
Hounslow	2.54
Torbay	2.53

[1] Central costs on statutory and regulatory duties. Corporation of London and the Isles of Scilly have been excluded because of their very small size.

TRADE AND INDUSTRY

Minimum Wage

Mr. Welsh: To ask the Secretary of State for Trade and Industry if he will estimate the impact on the cost of departmental salaries were the national minimum wage for all ages to be raised to *(a)* £4, *(b)* £4.20 and *(c)* £4.50 per hour. [119865]

Mr. Alan Johnson *[holding answer 20 April 2000]:* The impact on the cost of departmental salaries were the national minimum wage for all ages to be raised to:

(a) £4 per hour would be £258;

(b) £4.20 per hour would be £6,356 and

(c) £4.50 per hour would be £23,722.

These figures relate to DTI Headquarters' Directorates only. I have asked the Chief Executives of the Department's agencies to respond to the hon. Member directly.

The information in respect of Non-Departmental Public Bodies could be provided only at disproportionate cost.

Letter from J. S. Holden to Mr. Andrew Welsh, dated 9 May 2000:

I have been asked to reply to your recently tabled Parliamentary Question to the Secretary of State for Trade and Industry in respect of Companies House Executive Agency.

No one in Companies House is paid below the current minimum wage, but if it were increased the impact to our salaries would be as follows:

(a) Increase of £45,202 should the minimum wage be increased to £4 per hour

(b) Increase of £103,278 should the minimum wage be increased to £4.20 per hour

(c) Increase of £205,160 should the minimum wage be increased to £4.50 per hour.

Letter from David Hendon to Mr. Andrew Welsh, dated 9 May 2000:

I am replying to your question on behalf of the Radiocommunications Agency. Raising the minimum wage to £4, £4.20, or £4.50 an hour would have no impact on the Radiocommunications Agency's salary bill.

Letter from Peter Joyce to Mr. Andrew Welsh, dated 9 May 2000:

The Secretary of State for Trade and Industry has asked me to reply to your question about the estimated impact on the cost of departmental salaries of The Insolvency Service were the national minimum wage for all ages to be raised to (a) £4, (b) £4.20) and (c) £4.50 per hour.

Based on the salaries of current staff in post, the estimated annual cost to The Insolvency Service would be (a) £26,028, (b) £52,994 and (c) £95,054.

Letter from T. M. Ridley to Mr. Andrew Welsh, dated 10 May 2000:

The Chairman has asked me to respond to Mr. Counsell's letter of 27th April.

For the Advisory Conciliation and Arbitration Service (ACAS), increases in the National Minimum Wage of £4, £4.20, or £4.50 per hour would have no effect on salary costs.

Letter from Alison Brimelow to Mr. Andrew Welsh dated 9 May 2000:

Parliamentary Question: 1999/1835

The estimate of the impact on the cost of Patent Office Agency salaries were the national minimum wage for all ages to be raised to £4, £4.20 or £4.50 per hour, would be £8,000, £34,000 and £73,000 respectively.

Letter from Ian Jones to Mr. Andrew Welsh, dated 9 May 2000:

You tabled a Parliamentary Question on 18 April 2000 to the Secretary of State for Trade and Industry concerning the impact on departmental salaries if the National Minimum Wage were raised to £4, £4.20 & £4.50. I have been asked to reply in respect of the Employment Tribunals Service (ETS) which is an executive agency of the DTI.

The approximate cost to ETS if the national minimum wage for all ages were raised is as follows:

Hourly increase	*Annual basic rate*	*Total cost*
£4 per hour	£8,736	£669
£4.20 per hour	£9,173	£3,312
£4.50 per hour	£9,828	£11,212

If there is further information you would like to have, please let me know.

Letter from Seton Bennet to Mr. Andrew Welsh, dated 9 May 2000:

The Secretary of State for Trade and Industry has asked me to reply on behalf of NWML to your question regarding the impact on the cost of Departmental salaries were the national minimum wage for all ages to be raised to *(a)* £4, *(b)* £4.20 and *(c)* £4.50 per hour.

This would have zero impact on the cost of salaries at the National Weights and Measures Laboratory as we have no staff paid at national minimum wage levels.

Miners' Pensions

Mr. Stevenson: To ask the Secretary of State for Trade and Industry if he will make a statement on the pension rights of miners dismissed following the 1984 dispute, with particular reference to *(a)* those dismissed who had their dismissal confirmed on appeal, *(b)* those dismissed who won their appeal against dismissal and *(c)* those dismissed who made no appeal. [120916]

Mrs. Liddell: The Coalfield Task Force, established by my right hon. Friend the Deputy Prime Minister, recommended that the DTI review the pension entitlements of men who were not reinstated following their dismissal during the 1984–85 miners' strike. I shall shortly be issuing a document which will put forward proposals for addressing these questions.

OECD Anti-bribery Convention

Dr. Cable: To ask the Secretary of State for Trade and Industry what steps he has taken to incorporate the OECD Anti-bribery Convention into UK law. [121026]

Mr. Caborn: The United Kingdom ratified the OECD Convention on Combating the Bribery of Foreign Public Officials on the basis of existing anti-corruption legislation, in particular, the 1906 Prevention of Corruption Act.

My right hon. Friend the Home Secretary will shortly publish the Government's proposals for reform of the law of corruption, which are designed to update existing legislation, taking account of the UK's obligations under the OECD Convention and other international initiatives aimed at eradicating corruption.

Companies House

Ms Julie Morgan: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 2 May 2000, *Official Report*, column 25W, concerning Companies House, what the results were of the systematic evaluation carried out of Capita's performance in the years *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99; what percentage of their targets Capita reached; and in what areas. [121125]

Dr. Howells: Capita's performance against the public target is to answer at least 90 per cent. of all incoming telephone calls to the Companies House inquiry unit within 20 seconds.

For the periods:

(a) January-June 1997 the result was 53.5 per cent.

(b) July 1997-June 1998 the result was 95 per cent.

(c) June 1998-July 1999 the result was 96.5 per cent.

No performance data are available from the commencement of the contract on 1 July 1996 to 31 December 1996, as during this period a new telephone system was being installed which precluded monitoring taking place.

Liquid Petroleum Gas

Ms Atherton: To ask the Secretary of State for Trade and Industry what powers OFGEM has with regard to monitoring and regulating the supply of bottled liquid petroleum gas; and if he will make a statement. [121084]

Mrs. Liddell: The Gas Act 1986, as amended, which set up the gas regulatory bodies, exempts and excepts LPG from its provisions. Therefore, LPG does not fall within the remit of the gas regulator. However, LPG is subject to UK competition law. Responsibility for possible consideration of anti-competitive practices in the market lies with the Director General of Fair Trading.

Radio Frequencies (Mobile Phones)

Mrs. Dunwoody: To ask the Secretary of State for Trade and Industry what criteria are used by Her Majesty's Government to prioritise the use of radio frequencies for emergency transmissions. [121361]

Ms Hewitt: Radio frequencies are set aside specifically for emergency service use. The emergency services have priority within those frequency bands and no criterion other than being an emergency service is used.

Ex-directory Telephone Numbers

Mr. Hunter: To ask the Secretary of State for Trade and Industry if he will take measures to ensure that ex-directory telephone numbers are not commercially available; and if he will make a statement. [121350]

Ms Hewitt: The formulation and enforcement of policy on the privacy of ex-directory telecoms customers are matters for the Data Protection Commissioner and Oftel. It is important to note that being an ex-directory customer does not guarantee that unsolicited calls will never be received. Ex-directory status means that a number will never be quoted or called up by BT's or any other telecoms company's directory inquiries operators nor will details of the customer be listed in the Phonebook.

However, telemarketing companies can use other sources of information to contact people. These sources may contain information given by customers completing coupons for special offers, magazine and catalogue tear-off slips and other promotional questionnaires and flyers where the customer has not specified that such information is not to be disclosed.

Oil

Mr. Yeo: To ask the Secretary of State for Trade and Industry what assessment he has made of the recent research by the International Energy Agency on future supplies and prices of oil; and if he will make a statement. [121421]

Mrs. Liddell *[holding answer 9 May 2000]:* The International Energy Agency's (IEA) latest "World Energy Outlook (1998)" considers energy demand and supply for 10 world regions over the period to 2020 and concludes that world oil production from conventional sources could peak around 2015. This would result in a transfer from conventional oil to unconventional oil (for additional supplies) and might produce a rise in oil prices. The IEA's conclusions fall roughly in the middle of a range of projections from researchers which, at the extremes, envisage oil production peaking as early as 2005, or as late as 2050.

The IEA is currently preparing its "World Energy Outlook 2000", and hopes to publish this document in November 2000. My officials have been in contact with their IEA colleagues and I understand that some changes will be made to the methodology adopted by the IEA which will further improve the value of their research into future world energy demand and supply.

Coal Industry (State Aids)

Mr. Clapham: To ask the Secretary of State for Trade and Industry when and how the consultation procedure on coal state aid that he referred to in his statement on Energy Policy on 17 April will take place. [121748]

Mrs. Liddell: I have today placed in the Library a consultation document setting out proposals for a coal subsidy scheme. The consultation document is also available on the DTI's internet site at www.dti.gov.uk\consultations\

Staff Bonuses (Millennium Period)

Mr. Matthew Taylor: To ask the Secretary of State for Trade and Industry how much his Department, its agencies and associated public bodies spent in total on extra bonuses above usual payments for staff working over the New Year period; what are the *(a)* maximum and *(b)* minimum bonuses paid; how many people received the (i) maximum and (ii) minimum payments; and if he will make a statement. [104490]

Dr. Howells *[pursuant to his reply, 1 February 2000, c. 531–32W]:* The information requested for the headquarters Department is now available. The total amount paid as Millennium extras was £27,430 to 100 staff. Two members of staff received the maximum payment of £1,040 and seven received the minimum payment of £65.

Exports (EU)

Mr. Gill: To ask the Secretary of State for Trade and Industry what was the value of goods exported to other EU countries in 1999; and what proportion of those goods were trans-shipped in Continental ports to go on to non-EU destinations. [121410]

Dawn Primarolo: I have been asked to reply.

HM Customs & Excise are the Department responsible for collecting trade statistics on the movement of goods with other countries.

The value of goods exported to other EC countries in 1999 was £96.85 billion. Where goods are moved in transit through other EC countries en route to non-EC countries, exporters are required to report the country of final destination and such goods will not be counted as EC trade.

INTERNATIONAL DEVELOPMENT

Lloyds TSB

Mr. Gibb: To ask the Secretary of State for International Development what was the outcome of her Department's recent legal action against Lloyds TSB. [120915]

Mr. Foulkes: Legal action against Lloyds TSB is still proceeding and it would therefore be inappropriate to comment on this matter at present.

Pitcairn Islands

Mr. Menzies Campbell: To ask the Secretary of State for International Development what subsidies were paid by the Government to the Pitcairn Islands in each year from 1989–90 to 1999–2000; what is the estimated expenditure for 2000–01; what control the Government exercise over how such subsidy is spent by the Pitcairn authorities; what is the Government's policy towards the level and maintenance of subsidy and bilateral aid to the Pitcairn Islands; and if she will make a statement. [121140]

Mr. Foulkes: HMG do not give revenue subsidy to the Pitcairn Government. Last year their Government spent £31,000 subsidising electricity and shipping and freight charges. Figures for previous years are not readily available. An analysis of Pitcairn's financial situation has concluded that Pitcairn will exhaust its Investment Fund (income mainly derived from the sale of postage stamps), without remedial action. Therefore, the Island Council has decided that it should remove subsidies while making provision for vulnerable people.

Our Department is consulting the Island Council and the Commissioner for Pitcairn on a medium term financial framework which will look at ways of increasing revenue from areas such as tourism, niche food products, and the issuing of fishing licences.

HMG have recently paid for the refurbishment of all the public buildings on the island, a project to market Pitcairn honey and the upgrading of the electricity distribution network.

We have also approved a £0.5 million contribution to the proposed "Hill of Difficulty" road which our Department is co-financing with the European Commission.

SCOTLAND

Birth Certificates

Mr. Caton: To ask the Secretary of State for Scotland for what purposes his Department requires a birth certificate to be furnished by *(a)* employees, *(b)* contractors, *(c)* those applying for employment and contracts and *(d)* other persons. [120314]

Dr. Reid: The Scotland Office requires the production of a birth certificate or similar documentary evidence for one or more of the following reasons:

Proof of identity

Proof of eligibility under the Civil Service nationality rules

Proof of age.

HOME DEPARTMENT

Domestic Violence

Mr. Gerald Howarth: To ask the Secretary of State for the Home Department how many incidents of domestic violence the police were called out to deal with in *(a)* 1970, *(b)* 1980 and *(c)* 1999; and what the cost was to public funds. [120658]

Mr. Charles Clarke: The information requested is not available.

The latest available estimate of domestic violence incidents recorded by the police, obtained from Her Majesty's Inspectorate of Constabulary 1998–99 Annual Statistical Return, is that there were approximately 355,000 such incidents in that year in England and Wales.

Another source of information on domestic violence is the British Crime Survey. This suggests that the actual prevalence of domestic violence is significantly higher. For the years 1981, 1991, 1993, 1995 and 1997 the estimated number of domestic violence incidents were as follows:

Thousand

Year	*1981*	*1991*	*1993*	*1995*	*1997*
All incidents	290	538	1,179	992	835
Reported incidents	57	126	271	296	220

Changes in the extent to which respondents are willing to divulge their experience may have influenced these trends.

The costs of police operations concerning domestic violence are not collected centrally. However, a report by Professor Elizabeth Stanko and others, "Counting the costs; estimating the impact of domestic violence in the London Borough of Hackney", was published by Crime Concern in 1998. This estimated the total cost in 1996 to the public sector of providing services for women and children facing domestic violence in Hackney at around £90 per annum per household. A copy of this report has been placed in the Library.

Racial Incidents

Mr. Cox: To ask the Secretary of State for the Home Department how many London borough councils have developed systems with the local police to combat racial incidents within their borough. [121119]

Mr. Charles Clarke: The Commissioner of Police of the Metropolis informs me that all 32 London boroughs have Community Safety Units which are the focal point of liaison between the police and local councils in relation to racial incidents.

Drug-related Deaths

Dr. Iddon: To ask the Secretary of State for the Home Department if he will fund the National Programme on Substance Abuse Deaths publication entitled "Drug-related Deaths" as reported by coroners in England and Wales. [121263]

Mr. Charles Clarke: The Government are currently reviewing data collection requirements in relation to drug-related deaths and it would be premature to take a decision on the funding of the database maintained by the National Programme on Substance Abuse Deaths while this review is ongoing.

Life-term Prisoners

Dr. Iddon: To ask the Secretary of State for the Home Department how many prisoners serving life terms in United Kingdom jails have served *(a)* more than 25 years, *(b)* more than 30 years, *(c)* more than 35 years and *(d)* more than 40 years; and how many such prisoners there are in total. [121262]

Mr. Boateng: Responsibility for persons detained in prisons in Scotland and Northern Ireland lies with the First Minister of the Scottish Executive and the Secretary of State for Northern Ireland, respectively.

As at 31 March 2000, a total of 4,469 persons were serving life sentences in prisons in England and Wales. A breakdown of these inmates, showing the time elapsed since reception under sentence, is given in the table. Prisoners who had been released on licence and subsequently recalled are included in the statistics. Such time spent on licence is included in the calculation of the time since sentenced.

Life sentence prisoners held in prisons in England and Wales on 31 March 2000, by interval since reception under sentence

Time since sentenced [1]	*Number*
Up to 25 years	4,303
Over 25 up to 30 years	97
Over 30 up to 35 years	50
Over 35 up to 40 years	11
Over 40 years	8
All life sentence prisoners	4,469

[1] Including any time spent on release under licence but excluding any time spent on remand before sentencing.

Penalties

Mr. Gill: To ask the Secretary of State for the Home Department what is the *(a)* minimum and *(b)* maximum penalty for (i) violent demonstration and (ii) destruction of private property. [121347]

Mr. Charles Clarke: There is no specific offence of violent demonstration. Section 1 of the Public Order Act 1986 prescribes a maximum penalty of 10 years imprisonment for the offence of riot which involves the use, or threat, of unlawful violence for common purpose such as to cause fear for personal safety. It can only be committed where 12 or more people so act. Under section 2, similar behaviour committed by three or more people (violent disorder) is punishable with a maximum penalty of five years imprisonment. Section 3 relates to similar behaviour where only one or two people are involved (affray). The maximum penalty for this offence is three years imprisonment.

The destruction of private property would normally amount to criminal damage. The maximum penalty for criminal damage is 10 years imprisonment.

There are no minimum penalties for these offences.

Mr. Gill: To ask the Secretary of State for the Home Department what is the *(a)* minimum and *(b)* maximum penalty for dousing a person in petrol and setting fire to them. [121345]

Mr. Charles Clarke: The penalties available would depend upon the offence charged. A person convicted of attempted murder would face a maximum penalty of life imprisonment. If the victim died, this could result in a conviction for murder, for which the mandatory sentence is life imprisonment. A conviction for causing grievous bodily harm with intent would also carry a maximum penalty of life imprisonment.

There are no minimum penalties for these offences.

Mr. Gill: To ask the Secretary of State for the Home Department what is the *(a)* minimum and *(b)* maximum penalty for breaking and entering for the purpose of *(a)* theft and *(b)* an offence against the person. [121346]

Mr. Charles Clarke: The behaviour described would be charged as burglary. The maximum penalty for burglary is 14 years imprisonment. Additionally, for those convicted of a third domestic burglary, there is now a mandatory minimum sentence of three years imprisonment.

Radio (Emergency Services)

Mrs. Browning: To ask the Secretary of State for the Home Department what representations he has received from the emergency services concerning the cost to them of proposed changes to radio channels. [121337]

Mr. Charles Clarke *[holding answer 9 May 2000]:* The spectrum currently used by the police and fire services for radio communications has serious limitations and is the key reason why we arranged for the provision of new spectrum. The plan is that emergency services will use high quality spectrum, released at no cost by the Norther Atlantic Treaty Organisation, which will enable emergency services radio systems to function more efficiently than that provided by current schemes. We are achieving this by the introduction of the new Public Safety Radio Communications Service. We are doing so in accordance with an internationally agreed harmonized plan for use of Public Safety radio spectrum.

Both the Association of Chief Police Officers and the Association of Police Authorities have concluded that the Public Safety Radio Communications Project (PSRCP) meets technical requirements and offers value for money at a national level. However, a number of Police Forces and Police Authorities have raised the question of affordability of the PSRC Service.

I have also received various representations from the Fire Service about future radio communications and control room requirements, including views on costs and on their participation in the PSRC Service.

Policing (Somerset)

Mr. Ashdown: To ask the Secretary of State for the Home Department what estimate he has made of police numbers in Somerset in March 2001; and if he will make a statement. [121227]

Mr. Charles Clarke: I understand from the Chief Constable that he currently projects 3,030 officers available for ordinary duty at the end of March 2001 for the Avon and Somerset Constabulary. The Chief Constable is unable to provide a figure for only Somerset. He distributes resources between the eight territorial divisions according to need and operational priorities.

Mr. Ashdown: To ask the Secretary of State for the Home Department what conclusions about the adequacy of central Government support for policing in Somerset he has reached on the basis of recent research commissioned by his Department into the costs of policing in rural areas; and if he will make a statement. [121226]

Mr. Charles Clarke: I refer the right hon. Member to the reply I gave the hon. Member for North-East Hertfordshire (Mr. Heald) on 21 February 2000, *Official Report*, columns 118–19W.

Gammahydroxybutrate

Mr. Ben Chapman: To ask the Secretary of State for the Home Department if he will make a statement on the reclassification of Gammahydroxybutrate as a drug rather than as a medicine. [120437]

Mr. Charles Clarke: Further to my reply of 28 February 2000, *Official Report*, column 107W, I can report that Gammahydroxybutrate has now been referred to the Scientific Committee of the European Monitoring Centre for Drugs and Drugs Addiction for a formal risk assessment.

Anti-drugs Strategy

Mr. Clappison: To ask the Secretary of State for the Home Department what account he has taken in implementing the Government's anti-drugs strategy of the relationship between drug-related offending by women and the number of women sentenced to imprisonment. [120439]

Mr. Charles Clarke: In 1998, 968 females and 9,777 males were given an immediate custodial sentence for drugs offences (Great Britain). Statistics on drug-related offences are not collected by the Home Office, but by a programme of research at Cambridge University on behalf of the Home Office. This involves drug testing of arrestees, and indicates a strong connection between drug misuse, particularly heroin and crack/cocaine, and crime, and suggests that about one third of all property crime is committed in order to buy these drugs. The initial findings also showed that for most drug types, female arrestees were as likely, if not more likely, than males to test positive and that females were significantly more likely than males to test positive for opiates.

Two key objectives of the Government's anti-drugs strategy are to reduce levels of repeat offending among drug misusing offenders and to increase the participation of problem drug misusers, including prisoners, in drug treatment programmes which have a positive impact on health and crime. This relates to men and women, but the strategy recognises that specific support services may be needed for certain groups including women. Counselling, Assessment, Referral, Advice, Throughcare (CARAT) services, in place in every prison, will be tailored towards the prisoner populations in each establishment. Also, research is to be undertaken to look further into the issue of women and drugs.

Cannabis

Mr. Flynn: To ask the Secretary of State for the Home Department what assessment he has made of claims in the Police Foundation's report on the results of cannabis decriminalisation in the Netherlands. [120448]

Mr. Charles Clarke: The committee of inquiry set up by the Police Foundation has produced a thorough report with a large number of recommendations and the Government will give it careful attention. However, the Government have made it clear that they do not support the Inquiry's recommendations on the re-classification or depenalisation of cannabis.

The Government have a clear and consistent view about the damage which drugs can cause to individuals, their families and the wider community, the link between drugs and crime—and the corresponding need to maintain firm controls. The Government are opposed to any lessening of controls on currently illicit drugs but favour a wide-ranging approach—we see a need for a balance of policies involving supply reduction, demand reduction and harm reduction.

The Police Foundation's report acknowledges that there are significant contradictions between Dutch drugs policy—under which small-scale possession and supply of cannabis remains illegal but the laws are not enforced—and international agreements. The Preamble to the Single Convention on Narcotic Drugs 1961, states that effective measures against abuse of narcotic drugs require co-ordinated and universal action and that such action calls for international co-operation guided by the same principles and aimed at common objectives. The Government support these principles and have no intention of breaching their obligations under the 1961 United Nations drugs convention which commit the international community to working together against the illicit drug trade. It naturally follows from this that the Government also have no intention of allowing for the systematic non-enforcement of the law.

HEALTH

Continence

Mr. Austin: To ask the Secretary of State for Health (1) what plans he has to issue NHS guidance on continence in place of the existing guidelines; [120751]

(2) what action he is taking to ensure national minimum standards in the NHS in dealing with continence problems; [120752]

(3) what plans he has to monitor the provision of services for people with continence problems; and if he will make a statement. [120753]

Mr. Hutton: "Good Practice in Continence Services" was issued on 19 April 2000. This guidance suggests targets for primary and community teams, health authorities and National Health Service trusts. It includes appropriate references to the NHS Performance Assessment Framework, which is used to plan and monitor the delivery of services.

A National Service Framework for Older People is currently being developed. This will supplement the guidance on continence services by placing it in the wider context of improving NHS services for older people.

EU Food and Veterinary Office

Mr. Paul Marsden: To ask the Secretary of State for Health if he will make a statement about proposals to increase the number of inspectors at the European Union's Food and Veterinary Office. [120364]

Ms Stuart: The annual report of the European Commission's Food and Veterinary Office (FVO) for 1999 gave no indication that there are further proposals to increase the number of its inspectors. It did, however, report that during 1998 and 1999 the number of its inspectors had more than doubled to 87. This was as a result of the FVO's increased responsibilities, in both member states and third countries exporting to member states, for the protection of consumer health.

Fostered Children

Mr. Gerald Howarth: To ask the Secretary of State for Health how many children there were in foster homes in *(a)* 1970, *(b)* 1980 and *(c)* 1999; and of these, how many were from (i) broken families, (ii) single parent family units and (iii) intact families. [120675]

Mr. Hutton: The information available is given in the table:

Children in care/looked after in foster placements, in England, years ending 31 March 1970, 1980, 1999

	Boarded out/foster placements	
Year ending 31 March	*Number*	*Rate per 10,000 population* [1]
1970	28,900	23
1980	35,200	27
1999	36,200	32

[1] Aged under 18

Notes:

1. All numbers of children have been rounded to the nearest hundred.
2. Figures for children looked after in this table exclude agreed series of short-term placements.
3. Figures for 1970 were collected under the provisions of the Children Act 1948.
4. Figures for 1980 were collected under the provisions of the Children and young Persons Act 1969.
5. Figures for 1999 were collected under the provisions of the Children Act 1989.
6. The Department of Health does not collect data on the family background of children looked after.

PTB Staff

Dr. Gibson: To ask the Secretary of State for Health what steps he is taking to pay the PTB staff for the 1998–99 pay year. [120914]

Mr. Denham: Professional and Technical B staff received a 2 per. cent. pay increase from 1 April 1998 rising to 3.8 per. cent. from 1 December 1998.

Generic Medicine Pricing

Mr. Fabian Hamilton: To ask the Secretary of State for Health (1) what assessment he has made of the likely effect of the Government's proposals for generic medicine pricing on *(a)* the patient pack and *(b)* the availability of generic medicines; [121034]

(2) if pharmacists will be reimbursed for stocks of generic medicines bought under the old pricing regime. [121033]

Ms Stuart: Our proposals for setting maximum prices for generic medicines aim to protect the position of the National Health Service by correcting the effect of last year's price increases, while allowing reasonable returns to those in the supply chain. We believe that the proposed new prices, which are currently subject to consultation, should stimulate a good supply of generics, including patient packs, to the NHS.

Community pharmacists, along with other parties in the supply chain, have several months in which they can reduce their stockholdings before the proposed legislation requiring price cuts takes effect. In addition, reimbursement prices will not be brought into line with the new selling prices until the following month, thus providing a further time interval during which stocks can be run down and replaced with new stock at the lower price.

Neurological Diseases

Dr. Tonge: To ask the Secretary of State for Health what plans he has to make implant therapy for neurological diseases available to all NHS patients. [120761]

Mr. Denham *[holding answer 4 May 2000]:* Implant therapy can, in some patients, be highly beneficial for people with neurological conditions. However, it is a relatively new and developing field and the merits of this form of treatment compared with traditional therapies have not yet been thoroughly tested. It is for a patient's neurologist to decide if implant therapy would be beneficial given the circumstances of each individual patient.

Dr. Tonge: To ask the Secretary of State for Health when the review on implant therapy for neurological diseases will be completed; and if he will make a statement. [120760]

Mr. Hutton *[holding answer 4 May 2000]:* There is some evidence that neurostimulation may help a small number of patients with severe Parkinson's Disease. There is no clear evidence however, about whether it is a clinically or cost effective alternative to another surgical technique (lesional surgery) or best medical treatment. In addition, there are three kinds of neurostimulation and at present the long-term safety of one type of stimulation (sub-thalamic) has yet to be established.

An independent assessment of the evidence is now required for the use of neurostimulator implants in the treatment of severe Parkinson's Disease. We are currently considering the best way to take this forward.

Pharmacists

Mr. Fearn: To ask the Secretary of State for Health when the Prescription Pricing Bureau will resume paying pharmacists for actual costs. [121120]

Ms Stuart: The Prescription Pricing Authority (PPA) continues to pay pharmacists for actual costs. The PPA is at present making balancing adjustments (which may be a credit or debit) to convert interim payments to payment of actual costs three months later than normal. Current forecasts indicated that this delay will reduce to two months by February 2001 and normal payment arrangements are expected to resume from September 2001.

Slimming Drugs

Mr. Gale: To ask the Secretary of State for Health pursuant to his answer of 20 April 2000, *Official Report*, column 624W, on slimming drugs, upon what grounds the urgent advice of the Committee on the Safety of Medicines has been sought concerning the drug amfepramone. [121112]

Ms Stuart *[holding answer 8 May 2000]:* The Committee's advice was sought following the suspension by the European Court of the European Commission Decision to withdraw amfepramone products from the Community market. The Committee was asked to consider the public health implications of the reinstatement of the licences for amfepramone.

Mr. Gale: To ask the Secretary of State for Health what assessment he has made of the cost to the NHS of treatment for obesity that will arise from the withdrawal from the market of the drug phentermine and related products; and if he will make a statement. [121108]

Ms Stuart *[holding answer 8 May 2000]:* The decision to withdraw a product from the market is based on the safety and efficacy of that product and the associated impact on public health, not cost to the National Health Service. The decision to withdraw phentermine from the market was a European Commission Decision, with which the United Kingdom was obliged to comply, according to the legislation governing medicinal products in the European Union.

Carers

Mr. Alexander: To ask the Secretary of State for Health how many home carers there are in *(a)* Great Britain and *(b)* Scotland. [121326]

Mr. Hutton: The latest available information on informal carers shows that in 1995 the estimated number of informal carers in *(a)* Great Britain was 5.7 million and *(b)* Scotland was 741,000.

Source:

1995 General Household Survey.

Consultants

Mr. Drew: To ask the Secretary of State for Health what checks are undertaken to ensure that NHS employed consultants who also work in private practice are able properly to account for their time. [121455]

Ms Stuart: Any National Health Service consultant who does private work is expected to devote substantially the whole of their professional time to their NHS work. It is for employers and employees to agree the balance between private and NHS work. Their responsibilities for the clinical care of their NHS patients must come first. It is for NHS management locally to ensure that all consultants are fulfilling their contractual commitments, and to take action if these are not being met in individual cases.

A whole time consultant is permitted to have private practice earnings of up to 10 per cent. of their gross NHS salary. If asked by their employer, they must provide fully audited accounts showing their gross income from private practice. If their private practice income exceeds 10 per cent. of their NHS salary in two consecutive years, they have the option of a maximum part-time contract, which means that the consultant foregoes one eleventh of whole time salary, in return for the removal of the restrictions on private practice earnings. However, whether on a whole time or maximum part time contract, there is a clear contractual obligation to devote substantially the whole of their professional time to their NHS duties.

Mr. Drew: To ask the Secretary of State for Health what checks are undertaken on the expense claims submitted by consultants working for the NHS. [121456]

Mr. Denham: The monitoring of expense claims submitted by consultants is a matter for individual employing bodies.

Meat Hygiene Service

Mr. Livsey: To ask the Secretary of State for Health for what reason the Meat Hygiene Service inspector, Mr. Yogarathnum, was suspended from his duties at the Mead Webber Abattoir at Eardisley and replaced on 10 April 2000 by Mr. Turner of the St. David's Veterinary Practice at Exeter. [121215]

Ms Stuart: On 10 April 2000 St. David's Farm and Equine Veterinary Practice, Exeter commenced provision of contract official veterinary surgeons (OVSs) to the Mead Webber abattoir at Eardisley on behalf of the Meat Hygiene Service (MHS). Prior to this Mr. Yogarathnum, a Meat Hygiene Service employee, had undertaken both the OVS and principal official veterinary surgeon (POVS) duties at the premises.

Mr. Yogarathnum was relieved of his OVS duties at the Mead Webber abattoir, in order to allow him to spend more time on his POVS duties in a number of plants in the area. This included remaining as POVS at the Mead Webber abattoir.

Mr. Turner is a partner of the St. David Farm's and Equine Veterinary Practice. While providing locum cover for the new OVS that he had appointed to the Mead Webber abattoir, he identified a number of deficiencies in the operations and structure of the premises to which he drew management's attention. As a result of these

findings, the MHS Regional Director responsible for the Mead Webber abattoir visited the premises. He also discussed his concerns with plant management, Mr. Yogarathnum and the MHS meat inspection team. Mr. Yogarathnum was subsequently suspended, pending an investigation into his performance as POVS to the premises.

Mr. Livsey: To ask the Secretary of State for Health what costs were incurred by the Meat Hygiene Service through the employment of Mr. Turner to inspect the Eardisley meat plant. [121216]

Ms Stuart: Mr. Turner is a partner of the St. David's Farm and Equine Veterinary Practice at Exeter. The practice was successful in its tender to supply Contract Official Veterinary Surgeons on behalf of the Meat Hygiene Service (MHS) to Mead Webber abattoir at Eardisley. The rate per hour quoted in their tender for the provision of Contract official veterinary surgeons (OVSs) to the plant was £24.98. On the basis that the OVS will be present at the plant for 21 hours (in line with previous OVS attendance), the total costs of providing contract OVSs to the plant is therefore £524.

Mr. Livsey: To ask the Secretary of State for Health how many Meat Hygiene Service veterinary meat inspectors were employed from 1995 to 10 April 2000 in the Mead Webber plant at Eardisley. [121217]

Ms Stuart: Between January 1997 and April 2000, fourteen official veterinary surgeons (OVSs) have carried out OVS duties on behalf of the Meat Hygiene Service at the Mead Webber plant at Eardisley. The vast majority of these provided locum cover for employed OVSs at the premises and as a consequence would only have spent a relatively short period of time in the plant.

In the time available it has not been possible to collate all of the information relating to the number of OVSs who worked at the plant between 1995 and December 1996, or the total number of meat inspection staff who have worked there between 1995 and April 2000. I will place a copy of this information in the Library when it is available.

Mr. Livsey: To ask the Secretary of State for Health if he will take steps to ensure a new licence is issued to the Eardisley Abattoir. [121220]

Ms Stuart: No action to revoke the slaughterhouse licence No. 4103, issued on 4 March 1993 to The Abattoir, Eardisley, Hereford, has been taken. Revocation has not been recommended by the Licensing Authority (the Food Standards Agency) or its executive agency the Meat Hygiene Service, nor has it been requested by the abattoir operators (Mead Webber Ltd).

SOCIAL SECURITY

Social Fund

Mr. Dobbin: To ask the Secretary of State for Social Security how many people have applied for money from the Social Fund and how much money was issued in loans through the Social Fund, in each of the last three years in *(a)* Scotland, *(b)* Wales, *(c)* England and *(d)* North-West England. [120099]

Angela Eagle: The administration of the Social Fund is a matter for Alexis Cleveland, the Chief Executive of the Benefits Agency. She will write to my hon. Friend.

Letter from Alexis Cleveland to Mr. Jim Dobbin, dated 9 May 2000:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many people have applied for money from the Social Fund and how much money was issued in loans through the Social Fund, in each of the last three years in (a) Scotland, (b) Wales, (c) England and (d) North-West England.

The figures are included in the attached table.

I hope this is helpful.

Social Fund loan applications received and amount paid in each of the last three years in (a) Scotland, (b) Wales, (c) England and (d) North-West England

	Loan applications received	*Amount awarded* (£)
Scotland		
1997–98	416,440	45,723,467
1998–99	451,166	52,116,199
1999–2000	540,568	62,531,213
Wales		
1997–98	141,528	21,383,254
1998–99	145,645	24,235,488
1999–2000	179,046	28,263,893
England		
1997–98	1,829,400	297,931,497
1998–99	1,865,090	326,829,719
1999–2000	2,254,049	366,347,142
North-West England		
1997–98	369,604	53,248,210
1998–99	385,715	60,206,891
1999–2000	478,177	75,569,806

Notes:

1. Figures show the total number of all applications for budgeting loans and crisis loans. Individual customers may have made more than one application.
2. North-West England is defined as the area covered by the Benefits Agency Area Directorates 8 (North-West Coast) and 9 (Greater Manchester).
3. Some loans paid clerically, and adjustments between awards of loans and grants on review, are not recorded on the computer system. The figures do not therefore add up to total loans awarded for each year as published in the Social Fund Accounts.
4. 1999–2000 expenditure is provisional pending publication of the Social Fund Account.

Winter Fuel Payments

Mr. Coaker: To ask the Secretary of State for Social Security what progress is being made in clearing the backlog of payments of winter fuel allowance to those who lost their original cheque. [120126]

Angela Eagle: The administration of winter fuel payments is a matter for Alexis Cleveland, Chief Executive of the Benefits Agency. She will write to my hon. Friend.

Letter from Alexis Cleveland to Mr. Vernon Coaker, dated 8 May 2000:

The Secretary of State has asked me to reply to your recent Parliamentary Question asking what progress is being made in clearing the backlog of payments of winter fuel allowance to those who lost their original cheque.

The Benefits Agency's (BA) winter fuel team have made enquiries of their Mercia Area Directorate (AD5) which covers your constituency area. They advise that the question of replacing 13 girocheques is still outstanding pending further investigation.

Any winter fuel payments reported lost, missing or not received are treated in the same manner as other lost or missing payments and replaced accordingly. If a customer reports a lost, missing or not received girocheque to the local BA Office a form is completed by the customer stating the circumstances of the loss or non-receipt. This can be either completed at the office or posted to the customer. If posted the process of replacement takes a little longer allowing for postage times. When the form is returned an officer acting on behalf of the Secretary of State examines the information to consider a replacement.

I hope this is helpful.

Lone Parents

Mr. Willetts: To ask the Secretary of State for Social Security what was the total number of lone parents on income support, broken down into those with children *(a)* below and *(b)* above school age, for each month since April 1992. [121036]

Mr. Bayley: The information is not available in the format requested. Such information as is available is in the table.

As many lone parents have more than one child whose ages can be either above or below five years, figures have been provided for all three categories, i.e., lone parents with under fives only, lone parents with over fives only, and those parents with children in both categories.

Income support lone parents by age of dependant children Great Britain 1992 to 1999

Thousand

Quarter	*All children under 5*	*All children over 5*	*Children under and over 5*
August 1999	309	410	221
May 1999	308	407	221
February 1999	311	408	221
November 1998	310	405	224
August 1998	315	412	228
May 1998	321	412	228
February 1998	328	414	230
November 1997	333	418	232
August 1997	343	432	237
May 1997	347	429	237
February 1997	352	430	238
November 1996	355	429	238
August 1996	367	450	244
May 1996	370	445	244
February 1996	373	443	244
November 1995	379	439	243
August 1995	385	437	244
May 1995	383	433	240
February 1995	385	426	238
November 1994	387	420	235
August 1994	392	423	233
May 1994	395	415	229
February 1994	400	408	227
November 1993	403	402	226
August 1993	410	402	228
May 1993	404	389	220
February 1993	403	382	215
November 1992	402	371	211

Notes:

1. Figures are based on a 5 per cent. sample, and as such they are subject to a degree of sampling error.
2. Figures exclude unemployed who transferred to Jobseeker's Allowance with effect from October 1996.
3. Lone Parents are single claimants with dependants who are not receiving the disability or pensioner premium.
4. Figures have been rounded to the nearest thousand.
5. Information on the numbers of lone parents claiming Income Support by age of child dependants is collected on a quarterly basis. It is therefore not possible to supply monthly figures.

Source:

Income Support Statistics Inquiries, November 1992 to August 1999.

ONE Service

Mr. Alexander: To ask the Secretary of State for Social Security what reviews have been carried out to assess the success of the single work-focused gateway. [121100]

Angela Eagle: There will be a thorough evaluation of the ONE service, which will use a range of standard evaluation techniques; quantitative and qualitative research, operational research and cost-benefit analysis. The success of the pilots will be evaluated by comparing the outcomes for participants in the pilot areas with those for similar people from other, comparable areas. The evaluation will also include assessments about the effectiveness of ONE compared to the present system and it will compare data from the different model pilots to assess their relative effects.

Disability Living Allowance

Mr. Wigley: To ask the Secretary of State for Social Security if he will set up an independent review of the workings of the appeals system against refusal and downgrading of disability living allowance applications; and if he will make a statement. [121196]

Angela Eagle: A full evaluation exercise is currently being carried out following the changes to the decision making and appeals procedures introduced last year. All areas affected by the changes are being monitored.

We are aware that the Benefits Agency is experiencing some problems in dealing with revisions and appeals on Disability Living Allowance and this is being addressed separately.

Mr. Willetts: To ask the Secretary of State for Social Security if he will estimate the cost of extending the entitlement for new claims to disability living allowance to all those aged below 70 years. [119246]

Mr. Bayley *[pursuant to his reply, 17 April 2000, c. 402W]:* The estimated programme cost would be £350 million in 2001–02, rising to £400 million in 2002–03 and £500 million in 2003–04.

Fraud

Mr. Field: To ask the Secretary of State for Social Security, pursuant to his answer of 2 May 2000, *Official Report*, column 34W, on fraud savings, what are the abbreviated names of the initiatives and projects in full. [121280]

Mr. Rooker: The full names of the initiatives and projects are now included.

Initiatives since 1 May 1997

Initiative/Project	*Cost (£ million)*	*Start date*	*End date*
Benefits Agency (BA)			
Area Benefit Review/Quality Support Team Linking and Devolution (AQLAD, ABR/QST)	0.2	April 1999	Continuing
Area Benefit Review (ABR)	16.24	September 1997	Continuing
Benefits Agency/Child Support Agency Closer Working (BA/CSA)	1.6	1997	Continuing
Benefits Agency/Local Authority Liaison (BA/LA liaison)	1.0	1997	Continuing
Card Fraud Investigation	0.04	1997	February 1999—Cancellation of the payment by card process
Child Benefit Initiatives	2.4	1997	Continuing
Closer Working with East of Scotland	0.1	April 1999	Continuing
Family Credit London Project (FAMC London project)	0.23	1997	October 1999—Migrated to IR
Habitual Residency Test	0.3	July 1999	November 1999—Recommendation for full implementation across the Agency
Housing Benefit Matching Service	2.35	1997	April 1999—Now part of BA core
Income Support/Jobseeker's Allowance Premiums (ISA/JSA Premiums)	0.04	July 1999	Continuing
Jobseeker's Allowance Initiatives (JSA Initiatives)	0.02	April 1999	Fixes implemented
New Claims Activity/Target Reviews Central Team costs (NCA/TR central team costs)	2.5	1997	April 1999—Now a core activity
New Claims Activity/Target Reviews Training (NCA/TR training)	0.4	1997	April 1999—Now a core activity
Operation Rattle (incorrect payments of child benefit when recipient gone abroad)	0.18	1997	Continuing as a Child Benefit initiative
Overpayment of Legal Aid	0.22	September 1999	Continuing
Potential Debt	0.11	1997	August 1999—Continuing as the Strategic Debt solution
Programme Protection Expenditure measurement (PPE measurement)	0.79	1997	April 1999—Contributed to the performance indicators
Production of regs 113 by electronic media (death notification to Recovery of Estates section)	0.02	July 1999	Continuing
Professionalism in Security	2.88	July 1998	Continuing
Programme Expenditure Analysis	0.16	April 1999	Continuing
Risk management	1.46	1997	Continuing
Referral Management System (RMS)	0.42	1997	31 March 1998—Now part of core
Security Assurance Support Team (SAST)	0.10	1997	Continuing
Search by Address enhancements	0.13	1997	Continuing
Securing Family Credit	1.23	1997	October 1999—Migrated to IR
Security Projects Group	0.27	1997	April 1999—Transferred into core MIDAS function
Social Fund—of Benefit recovery (recovery of social fund once recipient off benefit)	0.22	August 1999	Continuing
Chilterns Secure Payments initiative	0.74	May 1997	Continuing
National Fraud database	0.30	June 1999	Continuing
National Insurance Contributions Office (NICO)			
Gateways	0.52	October 1998	March 2000—Migration papers under development
Payroll Cleanse	0.82	April 1998	April 2000—Migrated into core
Customer Account Security (Operational)	0.85	October 1998	Continuing
Construction Industry Scheme	0.36	May 1998	March 2000—Migrated into core
National Intelligence Unit	0.51	October 1998	Continuing

Initiatives since 1 May 1997

Initiative/Project	*Cost (£ million)*	*Start date*	*End date*
Controlled Risk Self Assessment	0.06	April 1999	March 2000—Now operating Certificate of Conformance
Child Support Agency (CSA)			
Fraud and Security Strategy	1.5	April 1999	Continuing
Housing Benefit Management (HBM)			
Local Authority Verification Framework	34.50	March 1998	Continuing
Weekly Benefit savings	0.002	12 January 2000	Continuing
Electronic Transfer of Data	0.83	August 1999	Continuing
Remote Access Terminals	7.00	August 1998	Continuing
Fraud Strategy Directorate (FSD)			
Local Authority Prosecution Pilot, England and Wales (LA prosecution pilot, E&W)	0.04	November 1998	Continuing
Scampion (review of organised fraud)	0.09	February 1999	Continuing
National Housing benefit Accuracy Review	2.0	April 1997	October 1998—Findings published by GSS
Large Scale Local Review project (Local Authorities)	2.0	April 1997	Continuing

Interest Rates

Mr. Willetts: To ask the Secretary of State for Social Security what have been since 1992 the rates of *(a)* income support for mortgage interest and *(b)* the bank base rate. [120380]

Mr. Bayley: From April 1992 until October 1995, the amount included for mortgage interest within the Income Support assessment for mortgage interest was determined by the actual interest rate charged by each claimant's lender. Since October 1995, the amount of Income Support allowed for mortgage interest has been determined by use of a Standard Interest Rate, limited by a maximum amount allowable. There are transitional arrangements applicable to people who were receiving help with mortgage interest at the point of change in October 1995.

Standard interest rate changes from 1995 to date

Date in force	*SIR*
2 October 1995	8.35
2 October 1995	8.39
21 January 1996	8.00
21 April 1996	7.74
23 June 1996	7.48
25 August 1996	7.16
15 December 1996	6.89
13 April 1997	7.20
21 September 1997	7.57
23 November 1997	7.97
24 May 1998	8.34
20 December 1998	8.65
21 February 1999	8.24
21 March 1999	7.75
18 April 1999	7.39
9 May 1999	7.08
20 June 1999	6.66
16 April 2000	6.92

Bank base rate from 1992 to date

Year/month	*Base rate (percentage)*
1992	
5 May	10.00
16 September	12.00
17 September	10.00
22 September	9.00
16 October	8.00
13 November	7.00
1993	
26 January	6.00
23 November	5.50
1994	
8 February	5.25
12 September	5.75
7 December	6.25
1995	
2 February	6.75
13 December	6.50
1996	
18 January	6.25
8 March	6.00
6 June	5.75
30 October	6.00
1997	
6 May	6.25
6 June	6.50
10 July	6.75
7 August	7.00
6 November	7.25
1998	
4 June	7.50
8 October	7.25
5 November	6.75
10 December	6.25
1999	
7 January	6.00
4 February	5.50
8 April	5.25

Bank base rate from 1992 to date

Year/month	*Base rate (percentage)*
10 June	5.00
8 September	5.25
4 November	5.50
2000	
13 January	5.75
10 February	6.00

Married Women (Reduced National Insurance Rate)

Mr. Webb: To ask the Secretary of State for Social Security if he will place in the Library a copy of leaflets produced by his Department in the late 1980s which offered guidance to married women on whether to revoke their election to pay a reduced rate of national insurance contributions. [120096]

Dawn Primarolo: I have been asked to reply.

The following leaflets have been placed in the Library:

NI1 "National Insurance Choices for Married Women" August 1989.

NP.32B "Retirement benefits for married women" revised July 1986.

Mr. Webb: To ask the Secretary of State for Social Security if he will make it his policy to compensate married women who received inaccurate advice from his Department about whether to revoke their decision to pay a reduced rate of national insurance contributions following the reform of national insurance contributions in 1989, and who as a result are receiving a lower rate of retirement pension. [120095]

Dawn Primarolo: In 1989, the Department of Social Security ran a publicity campaign to inform lower-paid women that they could be paying more in reduced-rate National Insurance contributions than if they paid at the standard rate because of structural changes to National Insurance contributions introduced in October that year. They were also reminded that they could revoke their elections to pay the married women's reduced rate if they wish to do so.

PRIME MINISTER

Ministerial Visit (Lewes)

Q9. **Mr. Baker:** To ask the Prime Minister what plans he has to visit the Lewes constituency. [120468]

The Prime Minister: I have no immediate plans to do so.

Social Exclusion Unit

Mr. Edwards: To ask the Prime Minister if he will make a statement about the work of the Social Exclusion Unit. [120434]

The Prime Minister: I refer my hon. Friend to the answer I gave to the hon. Member for South Cambridgeshire (Mr. Lansley) on 3 May 2000, *Official Report*, columns 110–11W.

Engagements

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Wednesday 10 May. [121230]

The Prime Minister: This morning I had meetings with Ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

TREASURY

Capital Investment

Mr. Alan Simpson: To ask the Chancellor of the Exchequer what was the level of capital investment in *(a)* oil and gas extraction, *(b)* other energy and water supply, *(c)* manufacturing, *(d)* distribution, *(e)* hotel and catering, *(f)* financial business services, *(g)* transport, *(h)* communications and *(i)* private dwellings since 1988. [120242]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Kidgell to Mr. Alan Simpson, dated 10 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question on levels of capital investment since 1988. I am replying in the Director's absence.

Due to the introduction of a new European System of Accounts (ESA 95) the production of data on capital investment by industry has been postponed. The publication of these data is planned for the end of this year. The only information available is on investment in private (personal sector) dwellings and business investment in manufacturing industry (from 1994 only), which is given below (in £ million).

	Manufacturing	*Private dwellings*
1988	n/a	17,994
1989	n/a	18,755
1990	n/a	16,678
1991	n/a	15,396
1992	n/a	16,054
1993	n/a	16,918
1994	14,454	18,074
1995	17,629	18,567
1996	18,348	20,231
1997	20,031	21,765
1998	20,465	24,475
1999	17,664	25,910

National Debt

Mr. Wigley: To ask the Chancellor of the Exchequer if he will publish for each year since 1970, the level of the United Kingdom national debt *(a)* in actual terms, *(b)* in constant money terms and *(c)* as a proportion of gross national product; and if he will publish, on the same basis, a projection of these figures for the next five years. [121197]

Mr. Andrew Smith: The table gives the figures requested.

Table 1—Public sector net debt

	£ billion	% GDP	1998–99 prices
1970–71	38.7	69.6	340.7
1971–72	40.3	65.2	325.4
1972–73	41.8	58.5	312.0
1973–74	46.6	58.4	324.4
1974–75	52.1	52.4	302.9
1975–76	64.7	54.2	300.5
1976–77	73.6	52.6	300.4
1977–78	79.5	49.2	285.9
1978–79	88.6	47.3	286.7
1979–80	98.2	44.1	272.1
1980–81	113.8	46.2	266.7
1981–82	125.2	46.4	267.9
1982–83	132.5	44.9	265.3
1983–84	143.8	45.2	275.1
1984–85	157.2	45.4	285.7
1985–86	162.7	43.6	280.9
1986–87	167.8	41.2	280.8
1987–88	167.4	36.9	266.1
1988–89	153.9	30.7	229.0
1989–90	152.2	27.9	211.4
1990–91	151.3	26.3	194.9
1991–92	166.1	27.6	201.4
1992–93	202.3	32.2	237.5
1993–94	249.4	37.5	285.2
1994–95	289.3	41.1	326.2
1995–96	321.3	43.2	352.1
1996–97	348.5	44.1	370.0
1997–98	352.9	42.1	364.5
1998–99	348.6	39.7	348.6
1999–2000	339.4	36.8	331.1
2000–01	340	35.1	324
2001–02	340	33.6	317
2002–03	347	32.7	315
2003–04	363	32.6	321
2004–05	379	32.6	328

Note:
Figures for public sector net debt in £ billion and as a per cent. of GDP up to 1999–2000 are outturns. Figures for 2000–01 onwards are the Budget 2000 forecasts. The estimate of public sector net debt in 1998–99 prices for 1999–2000 is based on the Budget forecast of the GDP deflator for 1999–2000.

Source:
Tables C3, C4 and C5, Budget 2000 and the Office for National Statistics.

Financial Services Access

Mr. Goggins: To ask the Chancellor of the Exchequer what action he is taking to encourage better access to financial services for low income households. [120452]

Miss Melanie Johnson: The general theme of the Treasury Policy Action Team (PAT 14) report on "Access to Financial Services" is that tackling financial exclusion requires the development of new financial services products and new ways to access them. There is no single solution: diversity and choice are the watchwords.

The Government have made clear their expectation that the banks and building societies will play their part in combating financial exclusion. In particular a number of banks already offer basic bank accounts with no overdrafts and no charges which are suitable for those on low incomes. All Banks have been asked to provide such accounts by October. The Post Office also has a key role to play in delivering a range of banking services. The Government are contributing almost £500 million to the capital costs of computerisation of the Post Office network. A number of banks and building societies have formed partnerships with the Post Office.

On 16 November 1999, I announced moves to boost credit unions which will provide a new central services organisation and changes to the regulation of credit unions to help them to deliver a more consistent and flexible service to their members.

Minimum Wage

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer what percentage of households he estimates have gained from the minimum wage in each income decile; how much the average gain has been to *(a)* each earner and *(b)* each household in each income decile (i) in absolute terms and (ii) as a proportion of income; by what method his estimates were made; and if he will make a statement. [119827]

Dawn Primarolo: Collating this information requires complex technical modelling. I will write to the hon. Member with the relevant information as soon as possible placing a copy of my letter in the Library of the House.

Integrated Child Credit

Mr. MacShane: To ask the Chancellor of the Exchequer if the integrated child credit were to be introduced on the basis of the illustrative structure shown in chart 2.6 of Tackling Poverty and Making Work Pay-Tax Credits for the 21 Century, how many children he estimates would be in families drawing (i) income support/JSA and the integrated child credit, (ii) employment tax credit and the integrated child credit, (iii) the integrated child credit only including the WFTC child credit element, and (iv) the integrated child credit only including the children's tax credit element only, including child benefit in all cases. [120392]

Dawn Primarolo: No estimates have been made of the number of families in these categories. The numbers in each group will depend on the detailed design of the integrated child credit and employment tax credit, on which decisions have not yet been taken as well as take-up. The table sets out estimates of the number of dependent children in families in receipt of either Income Support of income-based Jobseekers Allowance, Working Families and Disabled Person's Tax Credit or only getting the Children's Tax Credit in 2001.

million

Benefit/Tax Credit	*Number of children*
Income Support or income-based JSA	2½
Working Families or Disabled Person's Tax Credit	2½
Children's Tax Credit only	6

Tax Mixing

Mr. Jack: To ask the Chancellor of the Exchequer how many companies are known to the Inland Revenue as having offshore mixer companies. [120289]

Dawn Primarolo *[holding answer 2 May 2000]:* The number of groups using offshore companies to mix high and low taxed income varies year to year depending on the level of their UK and foreign profits, the need to pay dividends to their shareholders and their profit repatriation policies.

Missing National Insurance Numbers

Mr. Willetts: To ask the Chancellor of the Exchequer how many new national insurance numbers sent out have gone missing since January 1999; what action has been taken to investigate missing national insurance numbers; and how many missing national insurance numbers have been traced to asylum seekers. [121057]

Dawn Primarolo: Working with the DSS we have in place a substantial programme of work involving continual routine activities and new projects, which between them aim to keep the risk and incidence of NINO abuse to the minimum.

This work will include rolling out the lessons from a pilot in Balham aimed at securing the gateway to obtaining a NINO.

In addition, we are also working with DSS to look at the way in which we manage accounts which might present risk.

Helplines

Mr. Willetts: To ask the Chancellor of the Exchequer how many calls have been received by *(a)* the Working Families Tax Credit helpline and *(b)* the Disabled Person's Tax Credit helpline, in each month since January 1999; and what the salary levels are for those who work on each helpline. [121058]

Dawn Primarolo: The following table shows calls handled by the helplines. For Great Britain, they cover calls about Family Credit (FC) and Disability Working Allowance (DWA), as well as Working Families Tax Credit (WFTC) and Disabled Person's Tax Credit (DPTC). For Northern Ireland, the helplines were brought into operation for WFTC and DPTC in September 1999. No counts of earlier calls about FC or DWA are available for Northern Ireland.

The table also shows calls handled by the response line, which was open from September 1999 to January 2000, and again in April 2000. For months up to January 2000, these calls were handled by the private contractors engaged, or by recorded voice. (All but 10,000 of these calls were about WFTC.) For April 2000 the figure is of calls handled by recorded voice; no private contractors were engaged.

	Helplines		
Month	*Family Credit/ Working Families Tax Credit*	*Disability Working Allowance/Disabled Person's Tax Credit*	*Response line*
January 1999[1]	256,900	9,000	—
February 1999[1]	259,000	8,400	—
March 1999[1]	293,900	9,900	—
April 1999[1]	251,900	8,700	—
May 1999[1]	239,700	7,600	—
June 1999[1]	199,600	8,500	—
July 1999[1]	260,200	7,600	—
August 1999[1]	284,100	6,900	—
September 1999[1]	448,700	11,600	316,800
October 1999	449,300	14,300	322,700
November 1999	384,900	13,200	141,500
December 1999	242,400	9,200	42,900
January 2000	406,800	14,300	15,400
February 2000	387,400	14,600	—
March 2000	502,800	18,300	—
April 2000	471,400	16,300	40,700

[1] Excludes Northern Ireland before 7 September 1999. For October 1999, Northern Ireland accounted for about 4 per cent. of the total

The high figure for March 2000 is explained by the particularly large number of awards approaching their renewal dates in that month.

The helpline operators are currently paid at annual rates of between £12,110 and £18,666.

Budget (Asset Sales)

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer, pursuant to his oral statement of 21 March 2000, *Official Report*, column 858, on the Budget, if he will list projections of aggregate receipts from asset sales by Department in *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02. [120798]

Mr. Andrew Smith *[holding answer 4 May 2000]:* The following sets out the estimated outturn receipts from sale of assets by Departments for 1999–2000. Aggregate receipts from asset sales of £1 billion are projected for both 2000–01 and 2001–02. These represent plans and are not broken down by Department.

Department	*£ million*
1999–2000	
Education and Employment	0.6
Department of Health	250.2
DETR	202.4
Home Office	12.3
Legal Departments	8.2
Defence	348.8
Foreign and Commonwealth Office	32.5
International Development	0.02
Trade and Industry	8.7
Agriculture, Fisheries and Food	18.5
Culture, Media and Sport	1.8
Social Security	1.9
Scotland	16.6
Wales	35.6
Northern Ireland	91.3
Chancellor's Departments	60.1
Cabinet Office	4.4
Total	1,093.92

Benefits (Children)

Mr. Webb: To ask the Chancellor of the Exchequer if he will estimate the average percentage increase in real benefit unit net income between 1997–98 and 2000–01 of the 1.2 million children that his policies have lifted out of poverty. [121287]

Dawn Primarolo: Collating this information requires complex technical modelling. I will write to the hon. Member with the relevant information as soon as possible, placing a copy of my letter in the Library of the House.

Double Taxation Relief

Mr. Portillo: To ask the Chancellor of the Exchequer if he has altered his projections for the revenue yield from changes to double taxation relief and controlled foreign companies following representations from business since the Budget. [121063]

Dawn Primarolo *[holding answer 5 May 2000]:* I refer the right hon. Member to the answer I gave him on 19 April 2000, *Official Report*, columns 577–78W. The full year yield is not affected by the changes announced by the Inland Revenue Press Release 92/00 on 3 May 2000.

Working Families Tax Credit

Mr. Field: To ask the Chancellor of the Exchequer what estimate he has made of the value of error by *(a)* officials and *(b)* claimants in respect of the working families tax credit in the last three years for which figures are available. [117035]

Dawn Primarolo: The overall value of known WFTC recoverable overpayments resulting from mistakes made by WFTC applicants for the period 1 October 1999 to 31 March 2000 is £93k. The overall value of known Family Credit recoverable overpayments resulting from mistakes made by Family Credit applicants for the corresponding period 1October 1998 to 31 March 1999 is £1.8 million.

Mrs. Browning: To ask the Chancellor of the Exchequer what the costs to business will be of administering the working families tax credit from April 2000 to 31 March 2003. [121072]

Dawn Primarolo *[holding answer 5 May 2000]:* I refer the hon. Member to the regulatory impact assessment which was published and placed in the House Library in December 1999.

UK Reserves

Mr. Robertson: To ask the Chancellor of the Exchequer by how much the United Kingdom's reserves have been reduced in value since the decision in July 1999 to sell gold and purchase euros, due to the fall in the value of that currency; and if he will make a statement. [121200]

Mr. Nicholas Winterton: To ask the Chancellor of the Exchequer what has been the net change in the value of the United Kingdom's reserves as a result of his decision to sell gold and buy euros. [121452]

Mr. Bercow: To ask the Chancellor of the Exchequer if he will make a statement on the financial consequences to date of exchanging UK gold bullion reserves for Euros. [121498]

Miss Melanie Johnson: The UK's programme of gold sales were part of a prudent medium term programme to restructure the reserves which aims to achieve a better balance in the Government's portfolio. There will be times when currencies depreciate and times when they appreciate. Having a diversified portfolio avoids being too exposed to any one asset.

Mr. Gibb: To ask the Chancellor of the Exchequer what are the current Bank of England reserves of euros; and how many euros have been purchased by the Bank of England since 1 January. [121268]

Mr. Gill: To ask the Chancellor of the Exchequer what was the total quantity of reserves held in *(a)* gold and *(b)* euros on 31 March 1999 and 31 March 2000. [121692]

Miss Melanie Johnson: Table 2 of the Quarterly Report on UK Official Holdings of Foreign Currency and Gold for the period October to December 1999, published on 2 March 2000, provides a breakdown of the size and composition of the United Kingdom's reserve holdings, including a currency breakdown. The Quarterly Report for the period January to March 2000 will be published on 2 June.

Employers' National Insurance Contributions

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer what is the proposed reduction in the employers' national insurance contribution rate financed by the climate change levy. [121211]

Dawn Primarolo *[holding answer 8 May 2000]:* Pages 140 and 141 of the March 2000 Financial Statement and Budget Report give the details of national insurance contributions rates. A copy is in the Library of the House.

Tax Data

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer if he will estimate the reduction in tax paid per year in cash terms, and as a percentage of total gross annual income, for each income decile group, resulting from increasing the 10p tax band on earnings by £100; and if he will make a statement. [120800]

Dawn Primarolo *[holding answer 9 May 2000]:* For taxpayers in 2000–01, the estimates for an increase in the starting rate limit are given in the table.

Income tax effect of extending the starting rate limit to £1,620 in 2000–01 [1,2]

Decile [1]	*Total reduction in income tax (£ million)*	*Reduction in tax as a percentage of total gross annual income*
Lowest	5	0.04
2nd	27	0.13
3rd	32	0.12
4th	33	0.10
5th	33	0.09
6th	33	0.07
7th	33	0.06
8th	33	0.05
9th	33	0.04
Highest	33	0.02

[1] Based on the survey of personal incomes and consistent with the March 2000 Budget.
[2] The estimates exclude an offsetting effect from the Working Families Tax Credit because this is allowed at family level and not at individual level.

Tax Returns (Internet)

Mrs. Browning: To ask the Chancellor of the Exchequer what representations he has received from users of Apple Macintosh PCs in respect of internet filing of tax returns. [121333]

Dawn Primarolo *[holding answer 9 May 2000]:* The Inland Revenue has received 17 representations from people with Apple Macintosh PCs in respect of internet filing of tax returns.

Motor Insurance Premiums

Mr. Barnes: To ask the Chancellor of the Exchequer what assessment he has made of trends in motor insurance premiums since 1996; and if he will make a statement. [121300]

Miss Melanie Johnson: None.

AGRICULTURE, FISHERIES AND FOOD

Climate Change Levy

Mr. Welsh: To ask the Minister of Agriculture, Fisheries and Food what compliance costs in relation to the climate change levy face each sector of the agricultural industry; and what assistance is being offered to each sector. [120244]

Ms Quin: Any compliance costs associated with the administration of the climate change levy will fall mainly on the energy suppliers who will have to amend their billing systems in order to accommodate the levy. More information is contained in the Regulatory Impact Assessment of the climate change levy prepared by Customs and Excise and it will be updated as appropriate to reflect any significant changes.

To ensure that the levy will be revenue neutral for the private sector as a whole, revenue collected by the levy will be recycled in full to all sectors of the UK economy through a 0.3 percentage point reduction in employers' NICs and through the provision of an additional £150 million to support energy efficiency measures, including the introduction of 100 per cent. first year capital allowances for energy saving instruments. In addition electricity generated from 'new' forms of renewable energy and in 'good quality' combined heat and power plants will be exempt from the levy. This will be of help to agricultural users of energy produced from these sources.

To assist energy intensive sectors defined as being those sites and installations covered by the EU Integrated Pollution Prevention and Control directive (IPPC), an 80 per cent. discount of the levy rates is being offered to those sectors that can come forward with proposals to make energy savings meeting the Government's criteria. In agriculture these sectors include pigs, poultry and sows.

In addition the Chancellor of the Exchequer announced in Budget 2000 that the Government intend to introduce a package of measures to help improve energy efficiency in the horticultural sector while protecting its competitiveness. Subject to State Aids clearance from the European Commission, this will include:

A special package of support for horticulture allocated from the energy efficiency fund. This package will aim to improve energy efficiency across the sector and will include activities such as the provision of site-specific advice for individual businesses.

An extension to the list of investments qualifying for enhanced capital allowances to include thermal screens. This will provide a further fiscal incentive for horticultural businesses to invest in energy saving technologies and:

A temporary 50 per cent. discount on the levy for a period of up to five years to the horticulture sector while the energy efficiency measures targeted at the sector take effect.

Forestry Commission Pension Scheme

Mr. Temple-Morris: To ask the Minister of Agriculture, Fisheries and Food how the Forestry Commission Employees Pension Fund is funded; and how much public money was made available to it in each of the last three years for which figures are available. [120485]

Mr. Morley: The Forestry Commission Pension Scheme operates in the same way as the Principal Civil Service Pension Scheme. Prior to devolution, benefits were paid from the net grant in aid for forestry voted by Parliament. Net payments in each of the last three years, after allowing for receipts from employee contributions and transfers to and from other schemes were:

	£ million
1996–97	28.9
1997–98	26.5
1998–99	26.8

Once the devolution settlement is fully in place, the employers contributions which until now have been assessed only for internal Forestry Commission accounting purposes, will be paid from money provided by Parliament, the Scottish Parliament and the National Assembly for Wales. In 1998–99 this amounted to £6.4 million. The balance will continue to be paid from money provided by Parliament.

Strychnine Hydrochloride

Mr. Woolas: To ask the Minister of Agriculture, Fisheries and Food what plans he has to speed up the issuing of licences for the prescription of strychnine hydrochloride for mole eradication. [120654]

Ms Quin: Strychnine hydrochloride is a dangerous substance and strict controls are in place to regulate its circulation and use. Applications for permits to use it to kill moles are considered by MAFF's Regional Service Centres (RSCs), which issue the permit or refuse the application within 15 working days of receipt of the completed application. The established standard is quoted in the public statement of RSC customer service standards—"Commitment to Service".

During the 1999–2000 financial year, 98 per cent. of permits were issued within 15 working days despite an increase in applications of 14 per cent. from the previous year. We will continue to work and achieve the same standard in all cases.

CABINET OFFICE

Government (Public IT Access)

8. **Mr. Sheerman:** To ask the Minister for the Cabinet Office what steps she is taking to ensure that the modernising of Government programmes pays particular attention to the accessibility of Government Departments to the public using information technology. [120442]

Mr. Ian McCartney: Part of our e-government strategy is to increase the citizens choice of access to public services. The services that can be accessed are as follows:

General Information Obtained from Government, such as Employment Regulations

Personal information obtained from Government, like National Insurance records

Personal information supplied to Government, for example when changing address

Payment to Government

Payment from Government.

We have set a target that 100 per. cent. of dealings will be capable electronically by 2005.

Anti-drugs Strategy (Lancashire)

9. **Mr. Gordon Marsden:** To ask the Minister for the Cabinet Office what progress has been made in the promotion of a holistic anti-drug abuse strategy in Lancashire. [120443]

Marjorie Mowlam: The Lancashire Drug Action Team is contributing to the Government's anti-drugs strategy by implementing a wide range of measures to address problems of drug misuse at local level. These include:

establishing a multi-agency approach towards identified areas of service provision across the county

improving drugs education in schools

working with Crime Prevention Partnerships and extending early intervention schemes for young people in the community—including six Arrest Referral schemes

improving information systems, and

addressing problems over waiting lists for treatment.

Genetically Modified Organisms

10. **Mr. Swayne:** To ask the Minister for the Cabinet Office if she will make a statement about her responsibility with regard to presentation of Government policy on genetically modified organisms. [120444]

Marjorie Mowlam: My primary role has been the co-ordination of biotechnology policy across Government through the Ministerial group on Biotechnology Misc6.

In presenting policy on GMOs I have been articulating the Government's priority which is effective regulation for the protection of human health and the environment.

Government Services (Delivery)

11. **Mr. Ronnie Campbell:** To ask the Minister for the Cabinet Office what discussions she has had with her counterparts in other countries on improving the delivery of Government services. [120445]

Marjorie Mowlam: There is a lot of international interest in our programme to modernise government and improve public services; and I am always keen to benefit from what others have found works for them. I have had discussions with counterparts and officials in the following countries:

Argentina

Belgium

Brazil

Germany

New Zealand

Portugal

Sweden

USA.

Special Advisers

12. **Mr. Paterson:** To ask the Minister for the Cabinet Office if she will make a statement on the number of special advisers employed by the Government. [120446]

Mr. Stringer: I refer the hon. Member to my answer of 15 December 1999, *Official Report*, column 227W. Since then, a further five Special Advisers have been appointed.

Manufacturing (Regulations)

13. **Mr. Nicholas Winterton:** To ask the Minister for the Cabinet Office if she will calculate how many regulations controlling the activities of manufacturing businesses have been passed since May 1997. [120447]

Mr. Stringer: This information is not kept in the form requested and could be provided only at disproportionate cost.

Since August 1998, every regulation likely to have a significant impact on businesses, charities or voluntary organisations has been subject to a thorough assessment procedure. These regulatory impact assessments are placed in the Libraries of the House. The particular business sectors upon which each regulation impacts are not recorded separately.

Government Services (Accessibility)

14. **Ms Julie Morgan:** To ask the Minister for the Cabinet Office how she intends to make Government services more accessible and responsive to the people they serve. [120449]

Marjorie Mowlam: We have appointed consumer champions in all the key central Government services, to find out and meet their users' wishes. We have been working hard to ensure we consult the public better and more widely about policy and services.

We are working to provide extended opening hours in the services where there is greatest demand, and we will provide electronic access to all services by 2005.

Drug Prevention (Lancashire)

15. **Mr. Borrow:** To ask the Minister for the Cabinet Office what plans she has to improve the long-term funding of drug prevention schemes in Lancashire. [120450]

Marjorie Mowlam: Local Drug Action Teams work in partnership with local agencies such as health and local authorities, police, probation and local education authorities to decide the financial priorities for drug prevention within their area according to local need. The Lancashire Drug Action Team receives a grant from the Home Office's Drug Prevention Advisory Service (DPAS) to fund its running costs. However, funding for their activities is channelled for the most part through local agencies. In addition, the Government's spending review is looking at ways to streamline funding and strengthen local delivery.

Parliamentary Questions

16. **Helen Jackson:** To ask the Minister for the Cabinet Office what progress has been made in the speeding up of replies to parliamentary questions. [120451]

Marjorie Mowlam: I met the Speaker on 18 April to discuss performance in replying to Parliamentary Questions and correspondence from hon. Members. It was a constructive meeting. I set out the action that we had already taken over the last 12 months to improve performance: writing to Departments at Ministerial and Permanent Secretary level; workshops on the effective handling of correspondence; central seminars for staff involved in handling PQs. For the future, we also propose central training for staff in Parliamentary branches and elsewhere who have regular dealings with Parliament to ensure there is a good grasp of essentials. We will shortly be revising and reissuing central guidance to all Departments on the handling of correspondence.

Departmental Websites

17. **Mr. Evans:** To ask the Minister for the Cabinet Office what guidance she gives Departments on the contents of departmental websites. [120454]

Mr. Ian McCartney: The Guidelines for Government Websites give detailed guidance on content. They are available on the Information Age Champions website at www.iagchampions.gov.uk and I have today arranged for a copy to be placed in the Libraries of the House.

Rural White Paper

18. **Mr. Tyler:** To ask the Minister for the Cabinet Office what Government Department will be given responsibility for the integration of policy initiatives following the rural White Paper. [120455]

Marjorie Mowlam: Problems facing rural communities cannot be tackled in isolation by an individual Department—we will get the best results by central Government working in a joined-up way. Primary responsibility for rural policy lies with my right hon. Friend the Deputy Prime Minister while the Cabinet Committee on Rural Affairs, which I chair, will play an important co-ordination role.

Ombudsman Service

19. **Mr. Caton:** To ask the Minister for the Cabinet Office if she will make a statement concerning the review of the Ombudsman service. [120456]

Mr. Stringer: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Morecambe and Lunesdale (Miss Smith) on 13 April 2000, *Official Report*, column 241W.

Public Bodies (Appointments)

20. **Mr. Bill O'Brien:** To ask the Minister for the Cabinet Office what plans she has to change the system for making appointments to public bodies; and if she will make a statement. [120457]

Mr. Stringer: I have no such plans at present. My right hon. Friend the Secretary of State for Health is considering changes to the NHS appointments process, in the light of the recent report of the Commissioner for Public Appointments.

Drug Action Teams

22. **Mr. Russell Brown:** To ask the Minister for the Cabinet Office what contribution is made by drug action teams to the delivery of the Government's drugs strategy. [120459]

Mr. Ian McCartney: Drug Action Teams (DATs) have a crucial role in the delivery of the National Drugs Strategy. They are the main mechanism for delivery on the ground, they work as a local partnership of the agencies involved in tackling drugs such as, Probation, Health, Education, Police Authorities and Local Authorities. DATs are required to plan and deliver an effective programme of activities for drugs which supports the National Strategy. DATs identify gaps in their provision and seek to address this. They assess what is being done in their area under each aim of the strategy, what is being spent and by whom and monitor the success of local initiatives.

Written Answers to Questions

Thursday 11 May 2000

PRESIDENT OF THE COUNCIL

Business Co-ordination Unit

Maria Eagle: To ask the President of the Council what plans she has to set up a unit to co-ordinate contacts between the business sector and Government Departments. [122225]

Mrs. Beckett: Following discussions with the Prime Minister and the Secretary of State for Trade and Industry, I have set up a new Business Co-ordination unit within my Department. It will work with the DTI and Treasury to co-ordinate contacts across other Government Departments with the business community.

The Government have always been committed to maintaining good channels of communication between themselves and the business community, and this unit will make further contributions to that work.

I have been asked to take on this role by the Prime Minister because of my role as cross-Government spokesperson and my experience of leading initiatives which cut across the whole of Whitehall. I will be working closely with my right hon. Friends the Secretary of State for Trade and Industry and the Chancellor of the Exchequer.

CABINET OFFICE

Civil Service (Sickness Rates)

Barbara Follett: To ask the Minister for the Cabinet Office what was the overall level of sickness absence in the Civil Service in 1998. [122148]

Marjorie Mowlam: The report 'Analysis of Sickness Absence in the Civil Service 1998' prepared for my Department by BMI Health Services Ltd. shows that when the same methodology as in previous years was applied the average level of sickness absence was 9.8 days per staff year. This compares with a figure of 10.1 days for 1997. Calculated on the basis of absence per person, the figure for the Civil Service was 8.4 days. The report contains a comprehensive analysis of the 1998 figures.

In tandem with the preparation of that report, Departments and agencies have separately been undertaking audits of their monitoring systems as recommended in the July 1998 report 'Managing Attendance in the Public Sector'. In some cases these audits have revealed an element of under recording. The BMI report also contains figures reworked to reflect the audit findings, and these show that the average figure for sickness absence in 1998 was 10.3 days per staff year. These revised figures came too late and in insufficient detail for them to be taken into account in the report's data analysis.

My Department is continuing to work with other Departments and agencies as they take forward their plans to reduce sickness absence. Overall the Civil Service has been targeted to reduce sickness absence by 20 per cent. for 2001 and 30 per cent. for 2003 against the 1998 baseline.

I have placed copies of the BMI report in the Libraries of the House.

HOME DEPARTMENT

Asylum Seekers

Mr. Peter Ainsworth: To ask the Secretary of State for the Home Department what plans he has for additional capital expenditure in relation to the handling of asylum claimants in the vicinity of Gatwick Airport. [121509]

Mrs. Roche: The Immigration Service at Gatwick is at present looking at accommodation in the Horley/Crawley area in order to improve its capability in handling asylum and other casework. Dealing with asylum claims is one of the Immigration Service's top priorities. A central unit in the Gatwick area is being considered, but as yet no firm decisions have been made.

Animal Experiments

Mr. Baker: To ask the Secretary of State for the Home Department how many of the *(a)* transgenic pigs and *(b)* monkeys killed in the last four years died at Huntingdon Life Sciences; and if he will make a statement. [121506]

Mr. Mike O'Brien: Section 24 of the Animals (Scientific Procedures) Act 1986 prevents me from disclosing detailed information of this nature about an individual establishment licensed under the Act. We are examining Section 24 in the context of Freedom of Information changes.

Mr. Baker: To ask the Secretary of State for the Home Department how many animals broken down by species were allowed into the United Kingdom for use in experiments for each year from 1990 to date; and if he will make a statement. [121507]

Mr. Mike O'Brien: The Home Office does not record centrally the number of animals used in scientific procedures broken down according to their source.

Since 1995, Table 2 of the Statistics of Scientific Procedures on Living Animals, published annually in separate volumes for Great Britain and Northern Ireland, has reported the number of scientific procedures carried out using species listed in Schedule 2 of the Animals (Scientific Procedures) Act 1986 analysed according to the source of the animals used. Similar statistics were not collected and published before 1995.

The numbers of scientific procedures carried out in Great Britain and Northern Ireland using Schedule 2 species acquired direct from sources outside the United Kingdom in each year from 1995 to 1998 were as follows.

Species of animal	*1995*	*1996*	*1997*	*1998*
Mouse	8,624	11,285	13,361	15,943
Rat	9,348	10,849	3,499	2,740
Guinea Pig	16	0	0	793
Hamster	1,744	141	218	1,596
Rabbit	4	42	0	30
Cat	0	0	0	0
Dog	941	977	100	80
Primate	1,156	741	361	395
Quail (Cotumix cotumix)	0	0	0	0
Total	21,833	24,035	17,539	21,577

Statistics for 1999 are currently being collected and are due to be published in July 2000.

Police and Fire Authority Pensions

Dr. Kumar: To ask the Secretary of State for the Home Department what assessment he has made of the impact of pension payments on police and fire authorities' budgets in each of the next three years; and if he will make a statement. [121479]

Mr. Charles Clarke: Under the Central Local Partnership, the Home Office has been working closely with representatives of fire and police authorities to assess resource demands for the next three years. Projections by the services concerned were made by the Local Government Association's Fire Service Expenditure Forecasting Group and the Association of Police Authorities/Association of Chief Police Officers in its report "Policing the Future - Report of the Police Service Expenditure Forecasting Group". Pensions pressures are being taken into account in consideration of Spending Review 2000.

Police Manpower

Mr. Letwin: To ask the Secretary of State for the Home Department what proportion of the police in post on an average day in 1999 were available for duty on that day. [121675]

Mr. Charles Clarke: This information is not held centrally and could be obtained only at disproportionate cost.

Community Service Orders

Mr. Willetts: To ask the Secretary of State for the Home Department how many people were given a community service orders in each of the last five years; how many of such orders were breached in each year; and how many people who breached those orders were benefit claimants. [121525]

Mr. Charles Clarke: Information for the years 1988 to 1998 on the number of persons given a community service order and the number who breach such orders is published in Table 7.26 of the command paper "Criminal statistics, England and Wales, 1998". A copy of this publication is available in the Library.

Data on the number of persons breaching an order who are benefit claimants are not collected centrally.

Criminal Justice (Mode of Trial) (No. 2) Bill

Sir Nicholas Lyell: To ask the Secretary of State for the Home Department, pursuant to his oral statement of 7 March 2000, *Official Report*, column 886, on the Criminal Justice (Mode of Trial) (No. 2) Bill, on what basis he calculated that the removal of the right to elect trial by jury in either-way cases will produce savings of more than £120 million per year. [121294]

Mr. Charles Clarke: I refer the right hon. and learned Member to the reply given by my right hon. Friend the Home Secretary to the right hon. Member for Maidstone and The Weald (Miss Widdecombe) on 2 March 2000, *Official Report*, column 377W.

Lowdham Grange Prison

Jackie Ballard: To ask the Secretary of State for the Home Department when he will publish the report of the Chief Inspector of Prisons following the inspection of HMP Lowdham Grange. [121489]

Mr. Boateng: The Chief Inspector published his report on 27 April.

Murder and Rape Trials

Sir Nicholas Lyell: To ask the Secretary of State for the Home Department what was the average waiting period in the last 12 months for which figures are available between charge and commencement of trial in cases of *(a)* murder and *(b)* rape; and what were the equivalent figures at 1 May (i) 1997, (ii) 1998 and (iii) 1999. [121290]

Jane Kennedy: I have been asked to reply.

Overall average waiting times from charge to start of trail for offences dealt with at the Crown Court are not available. Average waiting times are available separately for the period from charge to committal from magistrates courts, and for the period from committal to the Crown Court to start of trial. However the available data for both the magistrates courts and the Crown Court cannot identify murder and rape cases separately from broader offence groupings.

ENVIRONMENT, TRANSPORT AND THE REGIONS

GM Crop Trials

Joan Ruddock: To ask the Secretary of State for the Environment, Transport and the Regions if yield data will be published from the GM crop trials designed to monitor environmental impact. [120716]

Mr. Meacher *[holding answer 3 May 2000]:* There are no plans to publish yield data as part of the farm scale evaluations of GM crops.

Freight

Mr. Dobbin: To ask the Secretary of State for the Environment, Transport and the Regions what steps his Department is taking to transfer freight from roads to rail. [120845]

Mr. Hill: Our policy is to help to establish an integrated, sustainable freight distribution system, both to support economic growth and to bring social and environmental benefits. The Strategic Rail Authority, already operating in shadow form, will have a duty to promote rail freight. In the three years beginning April 1997 we have provided £81 million in grants to move freight from road to rail or inland waterways. We have issued guidance to local authorities to facilitate more use of rail for freight, and our forthcoming 10 year Transport Plan will set out the Government's longer term strategy.

Royal Train

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 2 May 2000, *Official Report*, column 5W, how many journeys on the Royal Train have involved the use of the sleeping accommodation. [121269]

Mr. Hill: All the Royal Train journeys during the year ended 31 March 2000 involved the use of sleeping accommodation.

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions how much was paid to Wisconsin Central to service and operate the Royal Train in the last 12 months for which figures are available. [121257]

Mr. Hill: No money was paid to Wisconsin Central. However, as set out in the published Annual Report on the Grant-in-aid for Royal Travel by air and rail covering the financial year ended 31 March 1999, £779,000 was paid to English Welsh & Scottish Railway, which is the operator of the Royal Train and a UK subsidiary of Wisconsin Central.

Tees Barrage

Dr. Kumar: To ask the Secretary of State for the Environment, Transport and the Regions what payments have been *(a)* made and *(b)* agreed as part of a management licence to British Waterways for operating the Tees Barrage. [121480]

Ms Armstrong: Under the terms of a Management Agreement signed on 31 March 2000 between British Waterways and the Commission for the New Towns, BW assumed operational responsibility for managing the Tees Barrage, maintaining related facilities and the obligations attached thereto, as if it were the owner. An endowment of £17,696,616 was paid to BW. It is intended that the freehold of the property will be conveyed to BW shortly, together with a formal transfer of the powers and functions in the River Tees Barrage and Crossing Act 1990. It is not expected that any further endowment will be paid.

TRADE AND INDUSTRY

Minimum Wage

15. **Mr. Edwards:** To ask the Secretary of State for Trade and Industry what assessment he has made of the effect of the national minimum wage. [120519]

Mr. Alan Johnson: We asked the Low Pay Commission to monitor the introduction of the national minimum wage and to report on their findings. We published their report on 15 February along with our response to it.

19. **Mr. McCabe:** To ask the Secretary of State for Trade and Industry what steps he is taking to ensure that all those entitled to the national minimum wage receive it. [120523]

Mr. Alan Johnson: The Inland Revenue is responsible for enforcing the national minimum wage. If any worker believes they are not being paid what they are entitled to under the law they simply have to phone the minimum wage helpline on 0845 6000 678 to make a complaint about underpayment. All complaints, including third party tip-offs, are followed up.

The Government recognise that it is vital for workers to be aware of their entitlements under the law. Around £5 million was spent on advertising the minimum wage at the time of its introduction last year. A smaller campaign in the autumn targeted certain ethnic groups where awareness was still relatively low. There will be further paid publicity spanning the periods when the youth rate and main rate are increased on 1 June and 1 October respectively.

The Government are working with relevant worker and employer organisations to help improve awareness of the minimum wage. As recommended by the Low Pay Commission, we will update our general guidance and provide specific information for certain groups. The Government are asking the Commission to continue to monitor the national minimum wage and to produce a further report on its introduction by July 2001.

Gas-fired Power Stations

16. **Mr. Bradshaw:** To ask the Secretary of State for Trade and Industry what assessment he has made of the impact on energy prices in the South-West of his decision to lift the moratorium on new gas-fired power stations. [120520]

Mrs. Liddell: I have made no assessment specifically on the South-West, but Government energy policy should lead to a continuing downward pressure in energy prices.

Post Office

18. **Mr. Burns:** To ask the Secretary of State for Trade and Industry if he will make a statement on the future of rural and suburban sub-post offices. [120522]

Mr. Alan Johnson: The Government are contributing £480 million toward the cost of equipping the whole national network of post offices with an automated on-line IT platform. This investment in the automation project is substantial and is a clear indication of the Government's commitment to the future of the Post Office network. Nearly 40,000 counter positions in over 18,000 offices will be equipped with the modern computer system. Automation will attract new customers and services to the Post Office, replacing traditional business progressively eroded by changing customer demands and habits, which, in turn, will contribute to strengthening the long-term viability of the network.

In addition, the Performance and Innovation Unit is examining the longer term future of the network and is working across Government Departments to establish how best the Post Office network can be used and promoted.

20. **Mr. Gray:** To ask the Secretary of State for Trade and Industry if he will make a statement on the Performance and Innovation Unit report into the Post Office network. [120524]

Mr. Alan Johnson: I understand that the Performance and Innovation Unit will report the results of its study of the Post Office counters network to the Prime Minister shortly.

23. **Mr. Gordon Prentice:** To ask the Secretary of State for Trade and Industry what estimate he has made of the levels of subsidy that will be required to safeguard the future of post offices in small towns and villages and in rural areas. [120528]

Mr. Alan Johnson: It is too early to assume that subsidy would be the right way forward. The Government's key target is a viable commercial future for the Post Office network. The Government are using the opportunity of the Post Office Bill to propose taking the necessary powers to keep open the option of financial assistance.

32. **Mr. David Heath:** To ask the Secretary of State for Trade and Industry what recent discussions he has had with the Chancellor of the Exchequer on the scale and timing of the proposed subsidy to sub-post offices threatened with closure. [120537]

Mr. Alan Johnson: The Government have no plans at present to subsidise the network of post offices, but are using the opportunity of the Post Office Bill to propose taking the necessary powers to provide financial assistance towards ensuring provision of postal and other services at post offices, should that prove necessary at some future stage.

Personal Service Companies

21. **Mr. Brooke:** To ask the Secretary of State for Trade and Industry by what means he monitors whether the UK's international competitiveness is adversely affected by the working of IR35. [120525]

Ms Hewitt: We are committed to ensuring a fair tax system. It is clearly unfair that someone using a personal service company and carrying out the job of an employee has been able to enjoy a big tax and NICs advantage over other employees. Avoidance through service companies placed a burden on other tax and NIC payers and damaged the UK's competitiveness.

The IR35 proposals enable the use of personal service companies to continue but without the previous unfair scope for avoiding payment of Tax and NICs.

Manufacturing

22. **Mrs. Gorman:** To ask the Secretary of State for Trade and Industry what steps he is taking to assist manufacturing industry. [120526]

Mr. Alan Johnson: We are assisting manufacturing industry to be competitive by creating the right economic climate and by pursuing policies that help firms to innovate and grow.

34. **Mr. Brake:** To ask the Secretary of State for Trade and Industry if he will make a statement on the impact on manufacturing industry of the strength of the pound. [120539]

Mr. Alan Johnson: This Government understand the difficulties many manufacturers, particularly those trading with Europe, are facing because of the value of the pound in relation to the euro. However we are determined to take a long-term view—attempts at short-term fixes would ultimately do more harm than good.

The latest average of independent forecasts for the UK economy points to manufacturing output rising by 2.2 per cent. this year, in line with the top end of the Treasury's Budget forecast.

36. **Mr. Alan W. Williams:** To ask the Secretary of State for Trade and Industry what assessment he has made of the effect of the current value of the pound on the competitiveness of UK manufacturing industry. [120541]

Mr. Alan Johnson: This Government understand the difficulties which many manufacturers, particularly those trading with Europe, face as a result of the weakness of the euro, but competitiveness depends on a wide range of factors.

The platform for economic stability created by this Government, together with the structural measures to promote competition, to encourage enterprise and innovation, and to raise the skills base and investment, provides the best economic environment for improving industrial competitiveness in the UK.

Shipbuilding

24. **Mr. Donaldson:** To ask the Secretary of State for Trade and Industry if he will make a statement on his Department's strategy to assist the British shipbuilding industry. [120529]

Mr. Alan Johnson: My Department's strategy is to support and promote the UK shipbuilding industry, and in particular, to assist the industry to improve its competitiveness. In July 1998 my Department established the Shipbuilding Forum whose membership comprises representatives of the shipbuilding and ship repair industry, trade unions, equipment suppliers and customers, both private and public sector. Also involved are the National Training Organisation for the marine sector and relevant Government Departments. The Forum's terms of reference are to consider the current situation of the shipbuilding and ship repair industry and how to improve its competitiveness so as to increase its share of the European market, leading to increased output, profitability and employment.

35. **Sir Teddy Taylor:** To ask the Secretary of State for Trade and Industry if he will make a statement on the future of the shipbuilding industry. [120540]

Mr. Alan Johnson: The Government's policies are to establish the macroeconomic conditions within which the management of individual industries and companies can maximise their output, growth and employment prospects. The Government do not make forecasts for individual industries in the private sector.

North Sea Oil

25. **Mr. Blizzard:** To ask the Secretary of State for Trade and Industry what recent discussions he has had with oil and gas companies regarding future investment in field development in the North Sea. [120530]

Mrs. Liddell: Ministerial colleagues and I regularly meet oil and gas companies. My right hon. Friend the Minister for Energy and Competitiveness in Europe chairs the industry/Government forum PILOT which is actively considering ways of encouraging investment in North Sea oil and gas development. In addition, in February, my Department announced an initiative to target areas where there has been no exploration or development for some time.

Rover

26. **Mr. Bercow:** To ask the Secretary of State for Trade and Industry if he will make a statement on the future of the Longbridge plant. [120531]

Mr. Alan Johnson: Alchemy's cessation of negotiations with BMW provides a new opportunity for proposals to come forward which offer a viable future for Longbridge and which may provide more jobs than under the Alchemy proposals.

This Government's efforts over the next few weeks will be directed towards achieving a successful outcome which will serve the interests of the workers at Longbridge and the wider community in the West Midlands.

28. **Mrs. Heal:** To ask the Secretary of State for Trade and Industry if he will make a statement on progress made by the Rover Task Force. [120533]

Mr. Alan Johnson: When I announced the creation of the Rover Task Force on the day following BMW's decision to break up the Rover Group, I asked it to look into the effect that would have on the Longbridge area of Birmingham and on the supplier chain and to make recommendations about what should be done to lessen the impact.

The Task Force has 21 members drawn from and representing a wide range of organisations in the West Midlands and produced an interim report published on 26 April. I have asked it to produce a final report at the end of June 2000.

In its interim report, the Task Force drew on over 1,000 questionnaires completed and returned to it by supplier chain companies and from the work done by its five sub-groups which have been created to assess the impact both on individuals and businesses. The Task Force has already provided telephone helplines for individuals and suppliers and a website. The report makes a number of additional recommendations about short and medium term actions that should be taken to regenerate the region and action is already being taken to support identified needs.

At the outset of the Task Force's work I committed £129 million to assist the people, communities and businesses of the West Midlands affected by BMW's decision. I have already given approval for £12 million worth of support for the West Midlands supplier chain companies from the £129 million. This will help them to draw up fresh Business Plans, find fresh markets, obtain export advice and receive support for retooling and retraining. An additional commitment of £15.5 million, over and above the £129 million, has been made to support individuals. This money is providing help through a Rapid Response Unit at Longbridge offering fast-track access to benefits and training and is tackling re-skilling and re-training for workers from Rover and its supplier chain who will be made redundant or whose jobs will be affected.

The Task Force has also been working with regional partners on:

Bank support for business—ensuring a consistent and supportive approach to suppliers dependent on Rover; and help for businesses to deal with this serious shock to the market.

Tracking of each individual who is made redundant so that progress can be monitored and additional support given if needed. The aim is to maximise the successful redeployment of people and skills.

Creating a Task Force People's Guide on available help for those facing redundancy. This 60-page booklet has been printed and will be sent out shortly.

Support for apprentices/graduate trainees to complete their training and to maximise the retention of skills in the region and in the UK.

A study into development of the region for high-tech manufacture in the West Midlands, including A38 Corridor and Longbridge.

West Midlands Regional Supply Office activities to enable it to find alternative local customers for some present suppliers to Rover across the manufacturing sector.

Mr. Paul Marsden: To ask the Secretary of State for Trade and Industry if he will estimate the numbers of jobs which would be lost in *(a)* Shrewsbury and *(b)* Shropshire if Rover were to close; and if he will make a statement. [121762]

Mr. Alan Johnson: It is good news that BMW have come to an arrangement with the Phoenix Consortium to purchase Rover–Longbridge. Until more details are available it is too early to comment on the impact on jobs in the Shrewsbury and Shropshire areas.

Export Credit Guarantees

27. **Mr. Kidney:** To ask the Secretary of State for Trade and Industry what progress he has made in his review of the export credit guarantee scheme. [120532]

Mr. Caborn: The Review of ECGD's Mission and Status, which I announced last July, is proceeding satisfactorily. The public consultation exercise and a number of independent studies into certain aspects of ECGD's operations have provided valuable evidence. These inputs will enable Ministers to determine the right way forward for ECGD, and I expect to announce the outcome of the Mission Review to the House in the next month or so. I expect the Status element of the Review to be completed later in the year.

Business Regulation

29. **Mr. Clappison:** To ask the Secretary of State for Trade and Industry what recent representations he has received about the cost to business of regulations controlling business activity since 1997. [120534]

Ms Hewitt: Regulation is one of many issues I discuss as part of my regular contacts with business.

Aerospace Industry

31. **Mr. Borrow:** To ask the Secretary of State for Trade and Industry what recent discussions he has had with Ministers in the EU and USA concerning the restructuring of the aerospace industry; and if he will make a statement. [120536]

Mr. Alan Johnson: My officials and I maintain regular contact with EU and American Governments involved in the restructuring of the aerospace industry. I attended a meeting of industry ministers from six European countries in Rome last October to discuss the prospects for continued progress on aerospace restructuring.

It was a useful opportunity for me to meet colleagues from key European aerospace nations and to have the opportunity for direct dialogue with senior industrialists. Our discussions covered a wide range of issues relevant to the future success of the industry. My objective is that the UK should continue to play a leading role in international restructuring and maintain the global competitiveness of its aerospace sector.

Equal Opportunities (Small Businesses)

33. **Miss Begg:** To ask the Secretary of State for Trade and Industry what steps his Department is taking to ensure small businesses understand the regulations relating to equal opportunities. [120538]

Ms Hewitt: The Small Business Service provides a wealth of information intended to ensure that small businesses understand the regulations relating to equal opportunities.

The DTI is also working with DfEE, the three statutory equality commissions, and ACAS on the development of a pilot information and advice service for business to be launched in the Autumn, called Equality Direct, based on business needs. The service will provide authoritative, confidential and coherent information and advice on all aspects of equal opportunities.

Council for Science and Technology

37. **Dr. Starkey:** To ask the Secretary of State for Trade and Industry if he will make a statement on the role of the Council for Science and Technology. [120542]

Ms Hewitt: The Council for Science and Technology is the Prime Minister's top level advisory body on strategic issues concerning the Government's policies and framework for ensuring that science and technology meet the needs of the United Kingdom. The Council's terms of reference, along with information about its work and advisory reports are available on its website at www.cst.gov.uk.

Renewable Energy

Mr. Baker: To ask the Secretary of State for Trade and Industry if he will make a statement on his Department's support for renewable energy technologies. [120518]

Mrs. Liddell: The Government announced in February their target for PES of 10 per cent. electricity from renewables. This is to stimulate the development of renewable energy so that it can provide a continuously growing contribution in the competitive market, as part of our climate change programme.

We have a target of achieving 5 per cent. of UK electricity from renewables by 2003 and 10 per cent. by 2010. The cost of course must be acceptable to consumers.

Coal Miners (Compensation)

Mr. Rogers: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 12 April 2000, *Official Report*, column 153W, on coal miners' compensation, if he will name hospitals that have not been prepared to release miners' medical records. [120352]

Mrs. Liddell: Following the issuing of guidance by the NHS Executive and the BMA to Hospital Trusts and GPs respectively, I am advised by Healthcall, the company contracted to obtain the medical records, that there are no hospitals that are not prepared to release medical records. However I am aware that it may take time for hospitals to retrieve records, which in some cases date back many years. My Department is monitoring the position very closely and I will have no hesitation in informing Members of any hospitals in their constituencies where we experience difficulties in the future.

Electricity Generation

Mr. Gareth R. Thomas: To ask the Secretary of State for Trade and Industry if he will list the membership of the working group composed of representatives from the Government, Ofgem and the industry that is examining the issues that surround embedded generation; what is the work programme of the group and its timescale; if he will publish minutes of the group's meetings to date; and if he will make a statement. [120843]

Mrs. Liddell: The working group on Embedded Generation Network Issues was set up following the issue of the Department's consultation document 'Electricity Network Management Issues' (URN 99/1237). It is chaired by Dr. Brian Wharmby, technical director of Ofgem and comprises representatives of network operators, generators, suppliers and consumers, the Energy Savings Trust, DETR, DTI and Ofgem. It held its first meeting in March and proposes to complete its work by the end of the year 2000. The group has agreed that its membership, terms of reference and agreed meeting minutes should be published on the DTI website. The pages are available at www.dti.gov.uk/energy/egwg/index.htm

Industrial Grant Aid

Mr. Redwood: To ask the Secretary of State for Trade and Industry if he will list the *(a)* grants and *(b)* grant aid he has promised (i) the car industry and (ii) the coal industry since May 1997; from which budgets they will be drawn; what they are for; and for which he has EU approval. [120856]

Mr. Byers *[holding answer 5 May 2000]:* The information is as follows:

(i) details of projects are published in the Labour Market Trends.

(ii) details were contained in my statement to the House on 17 April.

Chief Scientific Adviser

Mr. Fabricant: To ask the Secretary of State for Trade and Industry if he will make a statement on the procedure for recruiting the Government Chief Scientific Adviser following the retirement of Sir Robert May. [120431]

Mr. Byers *[holding answer 10 May 2000]:* The post of Government Chief Scientific Adviser was advertised in the national press in March 2000. The competition for the post is being conducted according to the rules laid down by the Civil Service Commissioners.

E-commerce

Mr. Flight: To ask the Secretary of State for Trade and Industry what steps his Department is taking to promote e-commerce; and if he will make a statement. [120507]

Ms Hewitt: The Government have put e-commerce at the heart of their vision for building a competitive, modern, knowledge-driven economy, and the DTI plays a leading role in realising this.

In September 1999, the Prime Minister launched the report 'E-commerce@its.best.uk' which set out the Government's strategy to make the UK the best place in the world to trade electronically. This strategy is based on:

Ensuring that we have the right regulatory environment and market framework to allow e-commerce to flourish in the UK.

Preventing a digital divide by ensuring that we have the level of skills and access to enable businesses and individuals to make full use of the new technologies.

Ensuring that Government act as an exemplar by getting their own services online.

Specific actions taken by DTI as part of the strategy to promote e-commerce include:

The 'Information Society Initiative', aimed at increasing the usage of e-commerce by small businesses.

Measures to promote consumer confidence when trading online.

The Electronic Communications Bill, which gives legal recognition to electronic signatures and encourages an industry-led system of self-regulation.

Helping all communities get access to the new technologies through the 'IT For All' programme.

Motor Industry

Mrs. Browning: To ask the Secretary of State for Trade and Industry how many *(a)* Rover franchised dealers and *(b)* BMW franchised dealers there are in the United Kingdom; and how many people are employed in each. [121592]

Mr. Byers: I refer the hon. Member to the answers given to the right hon. Member for Wokingham (Mr. Redwood) on 29 March 2000, *Official Report*, column 196.

Mrs. Browning: To ask the Secretary of State for Trade and Industry what discussion his Department has held with the retail motor industry representatives since the publication of the Competition Commission report into the sale of new cars. [121593]

Mr. Byers: Since the publication of the Competition Commission report on the supply of new cars, my Department has had discussions with representatives of a number of industry bodies, including the Retail Motor Industry Federation and the Society of Motor Manufacturers and Traders, and with representatives of a number of individual companies.

Mrs. Browning: To ask the Secretary of State for Trade and Industry what powers he has to *(a)* amend and *(b)* withdraw the Block Exemption Regulations relating to the sale of new cars before September 2002. [121594]

Mr. Byers: The current Block Exemption for motor vehicle distribution and servicing agreements is a European Commission regulation. Member states have no power to amend it. Withdrawal of the benefit of the Block Exemption is one of several possible courses of action which the Competition Commission recommended for consideration. My Department is exploring the complex legal questions associated with these options, and is in close discussions with the European Commission.

Mrs. Browning: To ask the Secretary of State for Trade and Industry how many people are employed in the retail, after sales and repair of motor vehicles in the United Kingdom. [121589]

Mr. Byers: According to the Office for National Statistics (ONS), at December 1999, 329,913 people were employed in the retail, after sales and repairs of motor vehicles in the United Kingdom.

Mrs. Browning: To ask the Secretary of State for Trade and Industry how many businesses provide services and components to vehicle manufacturers in the United Kingdom; and how many people are employed in these businesses. [121591]

Mr. Byers: The information is not available in the form requested.

Community Hospitals Group

Dr. Cable: To ask the Secretary of State for Trade and Industry if he will refer the BUPA takeover of Community Hospitals Group to the Competition Commission in respect of the implications of vertical integration in the supply of private medical services. [121598]

Dr. Howells: My right hon. Friend the Secretary of State for Trade and Industry will decide whether or not to refer this case to the Competition Commission in the light of the independent advice of the Director General of Fair Trading. Each case is considered on its individual merits.

Inward Investment

Mr. Barry Jones: To ask the Secretary of State for Trade and Industry what plans he has to encourage future inward investment into the UK; and if he will make a statement. [120504]

Mr. Caborn: The Department's Invest in Britain Bureau will continue to promote the attractions of the UK for mobile international investment. The UK is the No. 1 location in Europe for inward investment and the Government are determined to ensure that this is maintained in the face of increasing competition from our European partners. We will continue to pursue economic policies which enhance the UK's attractions including developing our skills base, providing flexible labour markets and a stable economy.

Competition Act 1998

Dr. Kumar: To ask the Secretary of State for Trade and Industry if he will make a statement on the implementation of the Competition Act 1998 in respect of local authorities. [121478]

Dr. Howells: The new systems which prohibit anti-competitive agreements undertakings, and abuse by an undertaking of a dominant position, came into force on 1 March 2000. The prohibitions apply to a local authority if it is acting as an undertaking, that is to say if it is acting in a commercial or economic capacity.

DEFENCE

Decommissioned Nuclear Submarines

Ms Squire: To ask the Secretary of State for Defence what progress has been made on the study into options for the storage of decommissioned nuclear submarines; and if he will make a statement. [122119]

Dr. Moonie: My predecessor announced in March 1998 that we would undertake a study into options for the storage of decommissioned nuclear-powered submarines. The initial phase of our study has been completed. We have concluded that while afloat storage would remain a safe option, if suitable alternative venues could be identified, land storage offers the best overall solution in the long term. Further work will now be undertaken to determine which land storage option should be adopted. I expect this further work to take up to three years to complete.

The purpose of the next phase will be to determine which land storage solution should be adopted. This work will be taken forward in conjunction with industry, who will be invited to submit their proposals, with a view to entering into a Public/Private arrangement. As part of the process, we will further develop one land storage option, the removal and storage of the intact reactor compartment and the recycling of the remainder of the submarine, as a basis for comparison with industry proposals. We have not identified specific land store sites, but would expect these to emerge from the proposals we receive from industry. No decision will be taken on the most suitable storage option, or on a site, until we have completed the next phase of the study, which will include full and open consultation. As part of this process, environmental impact assessments will be undertaken for each storage option taken forward.

We are providing oral briefings to interested parties and the media, and material is also available on the MOD website. In addition, we are inviting written comments as a means of shaping and informing our further work and plan to consult widely during the next phase of the study.

Separately, and in parallel, we have received an unsolicited commercial proposal from Babcock Rosyth Defence Limited, the owners of Rosyth Royal Dockyard, to dismantle the reactor compartment of one decommissioned nuclear submarine, HMS Renown, and store the components. This would be an alternative to the traditional nuclear decommissioning work planned to start at Rosyth later this year and would not lead to any overall increase in the radioactive waste already held there. The intermediate level waste from Renown would be held initially in the purpose built facility at Rosyth, but BRDL have been asked to make proposals for its eventual removal.

The Babcock proposals will be taken forward in two stages and I have agreed that the first, which will involve feasibility and planning work only, may proceed. There will be no question of moving to the second, implementation, stage of the proposal until and unless we and the relevant regulatory authorities are entirely satisfied. In these circumstances I will make a further announcement.

During this second stage, we will work with Babcock to produce an environmental impact assessment, which will involve public consultation. In addition, the company will have to satisfy the nuclear safety and environmental requirements of the independent regulators, including the Nuclear Installations Inspectorate and the Scottish Environment Protection Agency before the dismantling work can begin. The company will be briefing local interest groups and the media tomorrow.

In all of the above, safety remains of paramount importance and we will work to the same standards that apply to civil nuclear industry.

Defence Diversification Agency

Mr. Letwin: To ask the Secretary of State for Defence if he will extend the remit of the technology transfer managers established by the Defence Diversification Agency to cover large firms. [120643]

Dr. Moonie: The White Paper, "Defence Diversification: Getting the most out of defence technology", does not restrict the remit of the DDA technology diversification managers to supporting only small and medium enterprises (SMEs). In its first year of operation the DDA has successfully assisted companies of all sizes. However, from an operational perspective the agency has to prioritise allocation of its resources and has tended to concentrate effort on SMEs. These companies, while contributing to UK's wealth and creating jobs, have less resources of their own than larger companies to access and thus benefit from DERA's technology.

Nuclear Test Veterans

Mrs. Ann Winterton: To ask the Secretary of State for Defence how many claims for compensation for damage to health by British nuclear test veterans have been made; and how many have been settled. [121613]

Dr. Moonie: My Department has recorded 144 claims for compensation from British Nuclear Test veterans. As there is no evidence of excess illness or mortality among British Nuclear Test veterans as a group which could be linked to their participation in the nuclear tests, no compensation claims from them have been settled. In any event, prior to May 1987, Service personnel were prevented from pursuing claims for compensation from the Ministry of Defence by section 10 of the Crown Proceedings Act 1947. The repeal of section 10 by the Crown Proceedings (Armed Forces) Act 1987 was not made retrospective and claims arising from injury or illness caused before the repeal are barred by law.

Mrs. Ann Winterton: To ask the Secretary of State for Defence when he last met ex-British service personnel nuclear test victims to discuss compensation for damage to health; and if he will make a statement. [121614]

Dr. Moonie: There have been no meetings between my right hon. Friend the Secretary of State for Defence and British nuclear test veterans to discuss compensation. There have, however, been extensive exchanges of correspondence relating to compensation between Defence Ministers and the British Nuclear Tests Veterans Association, as well as with Members of Parliament.

Mrs. Ann Winterton: To ask the Secretary of State for Defence what reports he has received about compensation paid by the New Zealand Government for damage to health of servicemen as a result of nuclear tests. [121616]

Dr. Moonie: The New Zealand Government have not, to our knowledge, paid compensation to servicemen who participated in nuclear test programmes. However, we are aware that as a result of a New Zealand Inquiry into the health status of veterans' children, published last year, a programme of assistance to test veterans and their families, funded by their Government, was recommended. Such assistance was to take the form of case management, family counselling and genetic counselling where appropriate.

In addition, the New Zealand Government announced on 29 April 2000 the grants of NZ$200,000 (about £60,000) to the New Zealand Nuclear Test Veterans Association, a one-time payment to assist the purposes of the Association, including further research and initiatives which provide support to the veterans and their families.

UK Service Personnel (United Nations)

Mr. Gray: To ask the Secretary of State for Defence if UK servicemen serving under UN auspices are given UN pay. [121082]

Mr. Spellar: No. UK Service personnel deployed on UN operations continue to receive UK pay. However, UK Service personnel serving under UN auspices are entitled to UN personal allowances. Personnel serving in formed units received the UN Daily Allowance of $1.26 per day and a Rest and Recreation Allowance of $10.50 per day, for up to seven days leave. Troops serving as UN monitors receive a separate UN allowance of about $120.00 per day for the first 30 days of duty and about $90.00 per day thereafter, because they are responsible for finding their own food and accommodation. These rates are set in US dollars and are paid to UK personnel either in US dollars, pounds sterling or local currency depending on circumstances.

MOD Accommodation

Mr. Hancock: To ask the Secretary of State for Defence how many empty Ministry of Defence houses in the United Kingdom are earmarked for *(a)* officers and *(b)* other ranks broken down by individual service; and if he will make a statement. [118651]

Dr. Moonie: Service Families Accommodation(SFA) is managed on a tri-Service basis and is provided according to entitlement i.e. rank and family size. A breakdown by individual Service is not therefore available. The figures given are for SFA on mainland UK. As at 5 May 2000, there are 2,092 unoccupied officers' properties, of which 752 are allocated and 216 are undergoing refurbishment. There are also 12,437 unoccupied other ranks' properties, of which 4,007 are allocated and 1,359 are undergoing refurbishment.

The majority of empty Service quarters are only temporarily so. There are over 22,000 Service family moves a year and this requires a management margin of empty stock ready for incoming occupants. An on-going modernisation programme and Defence reorganisations also demand that a considerable number of properties are empty while work is completed and further plans are clarified. Come 6,500 surplus properties are planned for disposal during the next two years.

As at 2 May 2000, in Northern Ireland, there are 50 unoccupied officers' quarters of which 17 are allocated and three are undergoing refurbishment. There are also 423 other ranks' quarters of which 118 are allocated and 11 are undergoing refurbishment.

Western European Union

Mr. Mitchell: To ask the Secretary of State for Defence what steps have been taken by the Ministerial Council of the Western European Union to fill the post of Secretary General of the Western European Union. [120739]

Mr. Vaz: I have been asked to reply.

Javier Solana was appointed as Secretary General by the Council of the Western European Union on 25 November 1999. He is also the EU High Representative for Common Foreign and Security Policy and Secretary General of the Council.

CULTURE, MEDIA AND SPORT

Museums and Galleries (Entry Charges)

Mr. Ben Chapman: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the number of establishments that will benefit from the £1 single entry charge for museums and galleries. [120613]

Mr. Alan Howarth: Funds have been set aside and will be made available to enable the following currently charging national museums and galleries funded by my Department to introduce an admission charge of £1 from September 2001:

National Museum of Science and Industry
Natural History Museum
Victoria and Albert Museum
Imperial War Museum (Lambeth Road)
National Maritime Museum
Royal Armouries—Museum of Artillery, Fort Nelson.

Final decisions on the introduction of the £1 charge rest with the Trustees of these institutions.

I am also considering the extension of these arrangements to the Royal Armouries Museum in Leeds; the Museum of Science and Industry in Manchester; the Museum of London; the National Museums and Galleries on Merseyside; and Tate St. Ives.

Mr. Ben Chapman: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the application of the £1 single entry charge to institutions which offer composite ticketing arrangements which allow entry to more than one institution on the same ticket. [121368]

Mr. Alan Howarth: Calculations of compensation for the introduction of the £1 single entry charge are based on estimates of the total visitor income for the individual institutions concerned, including the estimated proceeds from composite tickets. If trustees of institutions wish to introduce joint ticketing arrangements, that is a matter for their discretion.

Badminton Association

Mr. White: To ask the Secretary of State for Culture, Media and Sport what *(a)* public and *(b)* Lottery funds have been given to the Badminton Association of England in each of the last 10 years. [121103]

Kate Hoey: Details of Exchequer funding by Sport England to the Badminton Association of England is readily available only for years since 1994–95. These are:

£

Year	*Amount*
1994–95	240,000
1995–96	240,000
1996–97	247,000
1997–98	286,000
1998–99	268,000
1999–2000	280,000

Lottery funding for the Badminton Association of England's World Class Programme is as follows:

£

Period	*Amount*
1 September 1997 to 31 August 1998	1,327,155
1 September 1998 to 31 August 1999	1,735,909
1 September 1999 to 31 August 2000	1,955,441

The Badminton Association of England has also received a Lottery award of £3,653,847 for a National Badminton Centre.

Funding (Audits)

Mr. White: To ask the Secretary of State for Culture, Media and Sport what *(a)* financial and *(b)* other audits his Department carries out on bodies funded through the Sports Council or by Lottery grants. [121102]

Kate Hoey: Sport England carries out, on its own and on UK Sport's behalf (until October this year), a rolling programme of management audits of bodies in receipt of Exchequer funding which ensures that such bodies are reviewed at least once every three years. Audits cover corporate governance, accounting and financial management, asset management, financial stability, contracting and procurement, personal issues, grant conditions and current issues.

Sport England also undertakes financial and award compliance checks on all schemes in receipt of lottery funding. These ensure adherence to award conditions and the avoidance of fraudulent claims. All lottery projects are also subject to post-completion monitoring which includes the operation and management of the facility.

Athletics Facilities

Mr. Gill: To ask the Secretary of State for Culture, Media and Sport what representations he has received from the Wenlock Olympian Society concerning funding for improvements for facilities for athletics; and when he will respond to them. [121356]

Kate Hoey: I received a letter from the Wenlock Olympian Society on 1 May. I will respond to the letter shortly.

Mr. Gill: To ask the Secretary of State for Culture, Media and Sport what representations he has received from the Midland Counties Athletic Association concerning the provision of athletics facilities at Much Wenlock. [121354]

Kate Hoey: My Department has not received any representations from the Midland Counties Athletic Association.

Mr. Gill: To ask the Secretary of State for Culture, Media and Sport if it is the policy of the Sports Lottery Council not to grant-aid athletics tracks of less than 400m in length; and if he will make a statement. [121357]

Kate Hoey: The Council of Sport England's policy in considering applications for lottery funding for athletics tracks is to follow the recommendations of UK Athletics as set out in the "National Athletics Facilities Strategy". The normal requirement is for a 400m track. However, the strategy allows some flexibility and states that where the criteria for the provision of such tracks are not met

> every encouragement will be given to lower key training facilities designed to meet local needs for certain disciplines, such as a sprint straights with a bend, pole vault run ups, high jump beds etc.

FOREIGN AND COMMONWEALTH AFFAIRS

Friends of Europe

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those *(a)* civil servants, *(b)* ministers, *(c)* special advisers and *(d)* FCO Think Tank members who have addressed the Friends of Europe since its inception; in what capacity they spoke; at what cost; and if he will deposit the text of the speeches in the Library. [119814]

Mr. Vaz: At the request of the Centre for European Reform, Sir John Kerr, PUS, addressed a Friends of Europe/Centre for European Reform seminar in his official capacity on 14 April at the Belgian Ambassador's Residence in London. The title of the session was 'How much treaty reform does the EU need?' It was at no additional cost. He did not speak from a written text.

Mr. Roger Liddle, in his capacity as a special adviser in the Prime Minister's Policy Unit, addressed an audience in Brussels on 24 January. The event was co-hosted by the Friends of Europe and the British

Embassy in Belgium. The title of his talk was 'Economic Reform and Social Justice in a modern Europe'. The cost to the British Embassy of the event, including a reception afterwards was £1,690.03. Mr. Liddle did not speak from a written text.

NATO Parliamentary Assembly

Mr. Russell Brown: To ask the Secretary of State for Foreign and Commonwealth Affairs what changes have been made in the composition of the NATO Parliamentary Assembly. [122291]

Mr. Vaz: My noble Friend Lord Sewel has replaced my noble Friend Lord Kennet as a member of the delegation.

Indonesia

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance his Department provides to the Indonesian Government on security sector reform. [121588]

Mr. Battle: We want to help the new reforming administration in Indonesia strengthen democratic control of the security forces. The attachment of a senior British police officer to our Embassy in Jakarta starting on 1 June, is a first step in our efforts to help bring this about. We are consulting others about appropriate international support for security sector reform in Indonesia.

Sudan

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received concerning military attacks on the Nuba population of Sudan. [121582]

Mr. Hain: I am aware of a number of reports of military action in the Nuba Mountains and have received a number of representations about the bombing of a school in Kaouda in February of this year.

We have raised the specific case of the school, and the general issue of aerial bombing, with the Government of Sudan, and an EU Declaration was published on the subject on 5 May.

On 18 April, President Bashir announced that he had ordered the cessation of aerial bombings of targets in the South except where there was active fighting under way. We welcome this announcement and look to the Government of Sudan to honour it.

AGRICULTURE, FISHERIES AND FOOD

Milk Prices

Mr. Wigley: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on his discussions with the major supermarket chains on the prices paid for the milk they purchase. [119586]

Ms Quin: While pricing decisions are a matter for retailers, we know from our contact with them that the supermarkets are aware of the concerns of producers over the low prices they are receiving for their milk.

At the 30 March summit we also removed dairy hygiene charges for farmers in England; announced that we are approaching the European Commission to remove the weight limit on the OTMS Scheme; and agreed to pay £22 million agrimonetary compensation to farmers. We have also encouraged the different parts of the food chain to come together and develop a code of practice so that farmers feel their concerns are being given greater weight.

Online Services

Mr. Robert Jackson: To ask the Minister of Agriculture, Fisheries and Food if he will list the services which *(a)* his Department and *(b)* the executive agencies responsible to his Department (i) provide online and (ii) expect to be deliverable online by 2002. [119433]

Mr. Morley: So that the Cabinet Office can publish the spring 2000 report monitoring progress towards delivery of all Government services electronically by 2005, we are currently collecting data which will include our progress on delivering 25 per cent. of Government services electronically by 2002.

I do not want to pre-empt that report, but I can say that we currently provide a range of services electronically that includes:

Application for cattle passports and notification of subsequent movements to the British Cattle Movement Service

Applications for Cattle Eartag numbers from farmers via approved eartag manufacturers

Date Based Export Scheme eligibility checks from approved abattoirs

Submission of milk test details for the national dairy herd from contracted laboratories

The CEFAS Agency is developing an interactive database to share data on live fish movements

An extensive website that provides a wide range of information services to the public and to business, including the ability to download a selection of MAFF forms

An electronic portal will soon be launched for farmers providing access from a single source to a wealth of information and advice available to them over the internet from Government, the NFU and business.

Further, an electronic service delivery strategy covering all our transactions is being developed in line with Government targets, and by 2002 we expect to make available electronically the following:

Submission of Farm Survey forms

Submission of the majority of subsidy claims for MAFF and IBEA payments

Downloading of all MAFF forms

Interactive capabilities on the portal to inspire Internet trade and enhance business skills in the farming community.

Millennium Dome

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food if he has visited the Millennium Dome at Greenwich in an official capacity; and what plans he has to do so. [120585]

Mr. Nick Brown *[holding answer 3 May 2000]:* I have not visited the Millennium Dome in a ministerial capacity.

Departmental Contracts

Mr. Don Foster: To ask the Minister of Agriculture, Fisheries and Food if he will list for the financial year 1998–99 *(a)* the number and *(b)* the total value of contracts let by his Department with external consultants and advisers that (i) were put out to competitive tender, (ii) were not put to competitive tender and (iii) were let on a non-commercial basis, stating in each case the names of the individuals or organisations that have carried out the work. [109262]

Mr. Morley *[holding answer 9 February 2000]:* From records held centrally, for the financial year 1998–99 the Ministry let 144 contracts with external consultants and advisers at a total cost of £12,549,663 excluding VAT.

Of these contracts

(i) 84 contracts with a combined value of £11,782,555 excluding VAT were put to competitive tender. The names of these individuals and organisations are as follows:

ADAS
BMT Reliability Consultants
BRE
British Standards Institution
Bulldog Contractors Ltd.
Bytes Computers Ltd.
CBG Consultants Ltd.
Central Office of Information
Chieumento Consulting Group
Collinson and Grant Consultants
Computer People
Cornwell Affiliates Plc
Deloitte and Touche
Drew Associates
DTZ Pieda
Generic Software
HEDRA Ltd.
Johnson Construction
MCG Consulting Group
McKeown Software Ltd.
Millennium Three
National Remote Sensing Consultants
Norwich Systems and Accounting
PA Consulting Group
Paisner and Co.
Produce Studies Ltd.
Quadraphic Design Ltd.
Segal Quince Wickstead
SEMA Group UK Ltd. UKBS
Siemens Network Systems Ltd.
Siemens Computer Systems
Tatham Pearce
Triad Group
University of Edinburgh
University of Reading
WPS Consulting
WS Atkins

(ii) 60 contracts with a combined value of £767,108 excluding VAT were not put to competitive tender. The names of these individuals and organisations are as follows:

ADAS
Andrews Ward Associates
Ove Arup and Partners
K. Baker
Baker Shepherd Gillespie
R. Bradley
Bristol Quality Centre
Cambridge Strategic Management
Chapman and Chapman Associates
Cheviot Arcus
Peter J. Chillingworth
Cornwell Affiliates Plc
Deloitte and Touche
DERA
Dewjoc Ltd.
DBL Consultancy
D. Dickinson
Facilities Solutions
Foundation Systems
Fonda
Francis Graves Ltd.
GRP Consultants
Highthorne
Gerry Hynes and Co. Ltd.
ICL
Independent Consultancy
Insight Consulting
R. Kimberlin
Liaison VAT
WE Mason
McDermott Associates
M. McDonald Ross
Netools
Organisation Consulting Partnership
PA Consulting Group
J. Parker
PCMS
PG Griffiths
Prodat Plc
The Project Team
Proserve
Prospect Management Services
Rapra Technology
Reading University
RTC Ltd.
SEMA
Robert Shanks
Mrs. Silvey
AJ Small
K. Taylor
Thomason Partners
Touchstone
TMS Consultancy
TP Engineering Ltd.

Vogon International
Water Research Council
Yorkshire Assessment

(iii) No contracts were let on a non-commercial basis.

NORTHERN IRELAND

Prison Service

Shona McIsaac: To ask the Secretary of State for Northern Ireland what progress has been made with the Quinquennial Review of the Northern Ireland Prison Service. [122224]

Mr. Ingram: I have recently received the Review Team's report on the first stage of the Quinquennial Review. The report, which follows extensive internal and external consultation, analyses the performance of the Northern Ireland Prison Service since it became an Agency in April 1995, including how it is perceived by the various bodies and interests affected by the services that it provides—including its own staff. It also considers the services likely to be needed in future and the organisational options for delivering them.

It is clear from the report (a copy of which I am placing in the Library of each House) that the Prison Service has made considerable progress, in uniquely difficult circumstances, over the past five years. The report recommends unequivocally that Agency status should be retained as the most appropriate way of delivering custodial services in Northern Ireland.

I have accepted that recommendation and have asked the Review Team to embark on the second stage of the review, examining how the effectiveness and efficiency with which the Prison Service delivers its services and functions can be further improved in the future. The culmination of this final stage of the review will be the publication in the Summer of a new Framework Document for the Northern Ireland Prison Service.

Parades Commission

Mr. Donaldson: To ask the Secretary of State for Northern Ireland what are the outside remunerated interests of the Chairman of the Parades Commission, Mr. Anthony Holland. [120501]

Mr. Ingram: Up to 30 April 2000 Mr. Holland was the Principal Ombudsman at the Personal Investment Authority Ombudsman Bureau.

As from 1 May 2000 he became a part time Ombudsman at the Personal Investment Authority Ombudsman Bureau.

Northern Ireland Forum

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is the total cost of producing the bound volumes of the reports of the Northern Ireland Forum; how many copies were produced; and to whom they were provided free of charge. [121255]

Mr. Mandelson: 150 bound volume sets of the reports of the Northern Ireland Forum were produced at a total cost of £49,000 with copies being sent, free of charge, to each member of the Forum. Copies will also be provided free of charge to libraries and other locations where they will be available for public reference.

HEALTH

Prostate Cancer

Dr. Tonge: To ask the Secretary of State for Health what plans he has to introduce PSA testing to screen for prostate cancer. [119730]

Yvette Cooper: In 1997, the United Kingdom National Screening Committee recommended against introducing population screening for prostate cancer using the prostate-specific antigen test. In the context of a national screening programme, the NSC concluded that the limited accuracy of the test could have led to a positive result for those without the disease. Follow-up procedures could have caused considerable unnecessary harm to healthy individuals.

The UK National Screening Committee is now reviewing the evidence in the light of technological improvements. I expect to receive further advice on prostrate cancer screening on the basis of this research from the UK National Screening Committee later this year.

Dental Services (Northamptonshire)

Mr. Tony Clarke: To ask the Secretary of State for Health (1) how many more dentists Northamptonshire Health Authority needs to overcome its shortage of NHS dentists; [120725]

(2) how many people telephoned Northamptonshire Health Authority from June to August 1999 about access to NHS dentistry; [120726]

(3) what action the Government are taking to ensure that all children in Northamptonshire are registered with a dentist. [120728]

Mr. Hutton: Registrations per head of population in Northamptonshire show that 54 per cent. are registered with General Dental Service dentists. This is 6 per cent. higher than the national average. Since December 1998 the number of dentists in the area has increased by six and there are now nearly 171 dentists in the area.

Of the 1,130 people who called Northamptonshire Health Authority seeking information on the availability of National Health Service dentists from June to August 1999, none called back unable to get placed with a National Health Service dentist.

We recognise that in some parts of the country it remains difficult to access National Health Service dental care. Positive steps have already been taken to address this problem. NHS dentists in the Northamptonshire Health Authority have received £45,000 in Investing in Dentistry grants. This has gone towards establishing brand new practices that have already begun to register additional patients.

Northamptonshire also has a second wave Personal Dental Services (PDS) pilot which is specifically targeted at increasing child registration. This is a co-operative

approach between community dental service and three practices. It identifies children in need of care through school screening and offers follow up appointments.

Discussions will continue with the profession at a local level to improve and modernise the service.

NHS Administration Staff

Mr. Lilley: To ask the Secretary of State for Health (1) what has been the net reduction in the number of administrative jobs as a result of replacing the NHS internal market; [120333]

(2) how many administrative staff have been made redundant as a result of abolishing the NHS internal market. [120332]

Mr. Denham *[holding answer 2 May 2000]:* The information is not available in the form requested. However, total National Health Service management costs in 1998–99 prices are shown in the table.

Year	*£ million*
1996–97	1,949
1997–98	1,846
1997–98	[1]1,928
1998–99	1,870
1999–2000	[2]1,816

[1] Rebased. The definition of management costs was revised for 1998–99 to capture some management activity previously excluded, mainly related to NHS trusts purchasing private sector support services. To provide a consistent time series, the 1997–98 figure was rebased on the new definition

[2] Projected

GM Crops (Honey)

Mr. Caton: To ask the Secretary of State for Health (1) what advice his Department has prepared for beekeepers wishing to produce pure honey whose hives are located in the proximity of genetically modified crop plantings; [120695]

(2) what compensation he pays to beekeepers who are prevented from describing honey produced by their bees as pure, by the proximity of genetically modified crop plantings; [120698]

(3) how far beehives need to be located away from a genetically modified crop planting to ensure that the honey produced complies with labelling regulations for the use of the description pure. [120697]

Ms Stuart: There is no existing legislation which defines the use of the word "pure" in food labelling.

However in October 1999 officials in the Ministry of Agriculture, Fisheries and Food/Department of Health Joint Food Safety and Standards Group wrote to the British Beekeepers Association and the British Honey Importers and Packers Association advising them that the presence of GM pollen in honey does not effect the labelling of honey. I am placing copies of the letters in the Library.

Work carried out by the Laboratory of the Government Chemist, a report of which is also available in the Library, indicates that the amount of genetically modified material in honey that might arise from bees foraging on GM crops is likely to be extremely small.

Hospital Hygiene

Dr. Cable: To ask the Secretary of State for Health on how many occasions in the last five years the Audit Commission has investigated the administration of hospitals, with particular reference to hygiene. [120988]

Mr. Denham: The Audit Commission has informed us that according to its records neither the Commission nor its appointed auditors have carried out any investigations specifically concerned with hygiene in the last five years.

Diabetes Services

Mr. Sanders: To ask the Secretary of State for Health what assessment he has made of the Audit Commission's report, "Testing Times: A Review of Diabetes Services in England and Wales"; and what actions he proposes to take. [R] [121124]

Mr. Denham: We welcome this important report. It highlights unacceptable variations in the quality of diabetes services. It is those variations that prompted us to announce last year the development of a National Service Framework for diabetes in England. The National Service Framework will set national standards and define service models to improve the quality of care for people with diabetes.

We have sent copies of the Audit Commission report to members of the Expert Reference Group who will advise Ministers on the development of the National Service Framework and it will inform their work.

General Osteopathic Council

Mr. Gale: To ask the Secretary of State for Health how many members of the General Osteopathic Council have been drawn from *(a)* the General Council of Registered Osteopaths, *(b)* the College of Osteopaths, *(c)* the Guild of Osteopaths, *(d)* the London Counties and Shires Physicians, *(e)* the SMAE Institute, *(f)* the British and European Osteopaths Association and *(g)* the NTOS; how the members of the council were chosen and by whom; and if he will make a statement. [121105]

Yvette Cooper *[holding answer 8 May 2000]:* All members of the current General Osteopathic Council have been appointed by the Privy Council in accordance with our adopted policy on public appointments. Members have been chosen on the basis of individual merit and particularly for their ability to secure and maintain the highest standards of training, clinical practice and professional conduct. Professional members of the General Osteopathic Council do not represent any individual osteopathic body or training institution but act as ambassadors for the whole of the osteopathic profession.

Following legal advice, nominations for each professional place on the Council have been sought from all bodies known to have a representative function for osteopaths. For the initial membership selection exercise, these were the bodies identified by the King's Fund

Working Party on Osteopathy (whose report in 1991 provided the basis of the Osteopaths Act 1993) and known still to be in existence. The bodies were:

The British Osteopathic Association

The British and European Osteopathic Association

The College of Osteopaths Practitioners Association and Register

The General Council and Register of Osteopaths

The Guild of Osteopaths

The Natural Therapeutic and Osteopathic Society and Register.

The King's Fund Working Party drew its list from a report of the Monopolies and Mergers Commission on the Services of professionally regulated osteopaths (1989).

The claims to have a representative function of bodies which have come forward since the initial selection exercise have been considered on a case by case basis. The London Counties and Shires Physicians has not made any claims to Government to represent osteopaths. Nominations have not been accepted from the SMAE Institute on the basis that it is considered to be a training establishment and not a representative body. Nominations have, however, been accepted from the newly formed British Osteopathic Association and the General Osteopathic Council itself.

ME and MS

Mr. Gill: To ask the Secretary of State for Health what recent representations he has received regarding additional funding for research into the causes of, and cure for, *(a)* ME and *(b)* MS; and if he will make a statement. [121353]

Yvette Cooper: The information is as follows:

Chronic fatigue syndrome/myalgic encephalomyelitis (CFS/ME)

We have recently received representations in the form of Ministerial correspondence about provision for research into, and treatment of, myalgic encephalomyelitis (ME), also known as chronic fatigue syndrome (CFS), and the perceived lack of research into diagnosis and treatment for this condition.

The National Health Service research and development programme is currently supporting the following research projects on CFS/ME:

A systematic review to determine the clinical effectiveness of treatments and interventions for Chronic Fatigue Syndrome/ME—University of York

Family Focused Cognitive Behavioural Therapy for Adolescents with Chronic Fatigue Syndrome—King's College School of Medicine, London

Chronic Fatigue Syndrome after Acute Q Fever: A follow-up study of the 1989 outbreak cohort—Birmingham Heartlands Hospital, Birmingham

A randomised controlled trial of cognitive behaviour therapy for chronic fatigue syndrome—GKT School Medical School, London.

Multiple Sclerosis (MS)

The Department has recently received a large amount of correspondence from the public asking that additional funding be made available for research into the causes of and cure for multiple sclerosis (MS). There has also been some Ministerial correspondence and a Parliamentary Question which asked about treatment and research into multiple sclerosis during 1999.

The Medical Research Council supported about a dozen projects on multiple sclerosis and associated demyelinating diseases in 1998–99 representing a spend of approximately £640,000 in that year.

The Department funds research to support policy and the delivery of effective practice in the National Health Service. The Department is currently spending approximately £150,000 per year on projects related to MS.

In addition, we have awarded the MS Society £15,000 per year from 1997–98 until 1999–2000 under the Section 64 scheme of grants, for their emerging therapies project.

Defibrillators

Mr. Paul Marsden: To ask the Secretary of State for Health if he will list the locations of the defibrillators to be placed in public locations in *(a)* Shrewsbury and Atcham and *(b)* Shropshire. [121292]

Yvette Cooper: Our scheme to provide life-saving heart defibrillators in public places was launched in April 2000. 700 defibrillators will be placed in railway stations, shopping centres, airports and bus stations across the country over the next year. Additional large public areas are currently being identified as potential sites.

We do not yet have details of the exact locations of the defibrillators, nor of the implications for Shrewsbury and Atcham or Shropshire.

Royal Shrewsbury Hospital

Mr. Paul Marsden: To ask the Secretary of State for Health if he will make a statement on the Royal Shrewsbury Hospital's people management standards document issued to staff. [121291]

Mr. Denham: Ministers welcome and want to encourage examples of good practice in the National Health Service. The Royal Shrewsbury Hospital's people management standards document, which identifies how staff can expect to be treated by the trust, supports our key priority of improving the working lives of NHS staff.

Asthma

Angela Smith: To ask the Secretary of State for Health what plans his Department has to undertake further research into air pollution and asthma. [120159]

Yvette Cooper *[holding answer 9 May 2000]:* The prevention and treatment of asthma are high priority topics within the Department's research programmes. The Department's Policy Research Programme has been funding for some years a programme of research on the public health aspects of asthma, aimed at providing a clearer scientific understanding of the causes of asthma and hence how it might be prevented. One of the major strands of research within this programme relates to studies on the effects of outdoor air pollution on patients with asthma. This work is currently funded until the end of the year, but it has been agreed to extend this contract for a further period and consideration is now being given to continuing the programme for a further five years.

The Department has also funded a number of research projects that consider the possible effects of both indoor and outdoor pollution on asthma and respiratory disease. Many of these projects are still in progress and will continue over the next few years.

CJD

Helen Jones: To ask the Secretary of State for Health what guidance his Department has issued to NHS trust and social services departments on the care to be offered to those suffering from new variant CJD. [121137]

Yvette Cooper *[holding answer 10 May 2000]:* Health Service Circular 1999/178 issued to National Health Service trusts, primary care groups, and others in August 1999, among other things drew attention to the resources available to health professionals when dealing with the care of patients suffering from all forms of CJD. The CJD Support Network, in collaboration with the Association of Directors of Social Services, has published good practice guidelines for social services professionals who care for variant CJD patients. In addition, we will shortly be publishing some new guidance intended for healthcare professionals. It will mention the importance of having a named 'key worker' in place after any diagnosis of CJD, whose role will be to co-ordinate all professional care. The National CJD Surveillance Unit, funded directly by the Department, also employs a care co-ordinator, to act as a source of advice and expertise to health care professionals.

Helen Jones: To ask the Secretary of State for Health what estimate he has made of the average cost of caring for a patient suffering from new variant CJD. [121139]

Yvette Cooper *[holding answer 10 May 2000]:* The cost of caring for a patient suffering from variant Creutzfeldt-Jakob disease (vCJD) varies considerably from case to case, but is generally considered to be in line with the cost of caring for a wide range of other terminally and chronically ill patients.

Helen Jones: To ask the Secretary of State for Health what steps he is taking to ensure that general practitioners are aware of the presenting symptoms of new variant CJD. [121138]

Yvette Cooper *[holding answer 10 May 2000]:* The initial symptoms of variant CJD can be similar to much more common illnesses, and it is therefore difficult to diagnose the disease in its early stages. General practitioners presented with neurological or psychiatric symptoms in a patient would, however, be expected to refer such patients as necessary in the normal way to appropriate specialists, including neurologists. The National CJD Surveillance Unit, funded directly by the Department, keeps in regular touch with neurologists about CJD issues and has circulated to them details of those symptoms which would suggest that a case should be referred to the Unit for further investigation. In addition, the Unit disseminates information about variant CJD through the medical literature.

Oncologists

Mrs. Curtis-Thomas: To ask the Secretary of State for Health (1) how many cancer units have a medical oncologist; [121691]

(2) which cancer centres are without *(a)* a clinical oncologist and *(b)* a medical oncologist. [121641]

Yvette Cooper: The Calman/Hine report published in 1995 emphasised the importance of the integration of the work of cancer units with a cancer centre. Each cancer unit should have in place arrangements for non-surgical input (medical and clinical oncologists) into services. Local arrangements will depend on cancer site specialisation by the oncologist and the cancer unit, but sufficient time must be available in the cancer unit to guarantee a firm commitment to those local oncology services. Consequently individual clinicians may work in more than one trust.

Results from the medical workforce census for England show that at 30 September 1999 there were *(a)* 700 clinical oncologists employed by 80 National Health Service trusts and *(b)* 380 medical oncologists employed by 70 NHS trusts.

National Register for Clinical Trials

Mrs. Curtis-Thomas: To ask the Secretary of State for Health if the National Register for Clinical Trials has been established. [121690]

Ms Stuart: Details of research projects undertaken in the National Health Service are currently made available on the National Research Register, funded by the Department. The NRR has over 50,000 records and is available on CD-ROM and on line. To improve the information on clinical trials, the Department and the NHS are currently working in collaboration with its research partners to develop a national register of all funded clinical trials.

Cancer Services

Mrs. Curtis-Thomas: To ask the Secretary of State for Health (1) how many cancer units and cancer centres fully comply with the Calman-Hine cancer guidelines; [121643]

(2) how many cancer units are related to each cancer centre; [121642]

(3) how many cancer centres there are in the UK; and if he will list them. [121640]

Yvette Cooper: The Calman/Hine report, "A Policy Framework for Cancer Care Services", recommended that networks of care should be developed encompassing primary care, cancer units and cancer centres. The report provided a broad framework for the development of cancer units and cancer centres, but it did not set explicit standards for their development. Early implementation of the Calman/Hine recommendations reflected the different starting points across the country and allowed an evaluation of services to fit local needs.

Regional cancer co-ordinators from six of the eight health regions have identified cancer networks based on geographical patches shown in the table.

Northern and Yorkshire

Northern Cancer Network
Cancer Care Alliance (Teesside)
Yorkshire Cancer Network
East Riding Cancer Services
Alliance

Eastern

Norfolk and Waverney
Cambridgeshire
Mid Anglia
Southend
Mount Vernon

South West

Avon, Somerset and Wiltshire
Dorset
3 Counties Cancer Centre
The Peninsula

South East

Kent Cancer Network
South Solent Cancer Network
Sussex Cancer Network
4 Counties Cancer Network
Guildford Cancer Network

London

North East London
North Central London
North West London
South East London
South West London

Trent

North Trent Network
Mid Trent Network
South Derbyshire Cancer Centre
Leicestershire Cancer Centre.

In the North West Region three zones have been identified

North West

Greater Manchester
Merseyside and Cheshire
Lancashire and South Cumbria.

In West Midlands a somewhat different approach has been adopted, based on tumour-specific networks.

Regions have also adopted different approaches to the designation of cancer centres and cancer units, with joint cancer centres (encompassing two or more trusts) being designated in some regions.

The following hospital and trusts provide radiotherapy facilities:

Mount Vernon Hospital and Watford NHS Trust
The Royal Hospitals Trust
North Middlesex Hospital NHS Trust
Havering Hospitals Trust
Southend Healthcare NHS Trust
University College London Hospitals
Royal Free Hospital NHS Trust
Hammersmith Hospitals Trust
Essex County Hospital
Leeds Teaching Hospitals NHS Trust
Carlisle Hospitals NHS Trust
Newcastle upon Tyne Hospitals NHS Trust
South Tees Acute Hospitals NHS Trust
Royal Hull Hospitals NHS Trust
East Gloucestershire NHS Trust
United Bristol Healthcare Trust
Royal United Hospital Bath NHS Trust
South Devon Healthcare NHS Trust
Royal Devon and Exeter Healthcare NHS Trust
Plymouth Hospitals NHS Trust
Royal Cornwall Hospitals NHS Trust
Southampton University Hospitals NHS Trust
Poole Hospital NHS Trust
Portsmouth Hospitals NHS Trust
University Hospital Birmingham NHS Trust
Walsgrave Hospitals NHS Trust
North Staffordshire Hospital NHS Trust
Royal Wolverhampton Hospitals NHS Trust
Shrewsbury Hospitals NHS Trust
Weston Park Hospital NHS Trust
Leicester Royal Infirmary NHS Trust
Southern Derbyshire Acute Hospital NHS Trust
Nottingham City Hospital NHS Trust
Lincoln County Hospital
Addenbrookes Hospital
Norfolk and Norwich Healthcare NHS Trust
Ipswich Hospital NHS Trust
Oxford Radcliffe Hospital
Northampton General Hospital NHS Trust
Royal Berkshire Hospital
Mid Kent Oncology Centre
Kent and Canterbury Hospital
Royal Marsden Hospital
Guys and St. Thomas' Hospital
Royal Surrey County Hospital
Royal Sussex County Hospital
Clatterbridge Centre for Oncology
Christie Hospital
Preston Acute Hospitals Trust.

The National Cancer Director and regional offices are working with the National Health Service to develop this model on a more consistent basis, in line with best care set out in evidence based guidance. We intend to consult shortly on national standards for cancer which will permit a consistent approach to evaluation of cancer services.

Parkinson's Disease

Mr. Letwin: To ask the Secretary of State for Health if implant surgery for people with Parkinson's Disease is available throughout the country; and what the waiting times for such surgery are in each health authority area. [120642]

Mr. Denham: Patients in England with severe Parkinson's disease are usually under the care of neurologists. If, in their neurologist's opinion, neurosurgery may improve their disease then they can refer to specialist neurosurgical centres dealing with Parkinson's disease.

There are at least eight centres in England carrying out implant surgery and a further eight at least doing neurosurgery for Parkinson's disease.

Implant surgery for Parkinson's disease is complex and highly specialist and relatively new. It should be noted that the relative merits of implants in Parkinson's disease compared to drugs or more conventional surgery have not been thoroughly tested as yet. There are therefore sound reasons for limiting the number of centres where this service can be accessed until such time as its effectiveness is fully established.

Officials are currently working with health authorities to develop the most appropriate commissioning framework for this service.

Waiting times are as follows. As this is a rare operation not all health authorities have patients waiting.

Waiting time statistics from Hospital Episode Statistics (HES) are not the same as the published waiting list statistics. HES provides counts and waiting times for all patients admitted to hospital within a given period whereas the published waiting list statistics count those waiting for treatment at a given point in time and how long they have been on the waiting list. Also, HES calculates the waiting time as the difference between the admission and the decision to admit dates. Unlike published waiting list statistics, this is not adjusted for self-deferrals or periods of medical/social suspension.

Finished consultant episodes where the main diagnosis was Parkinson's disease and the main operation was implant of neurostimulator into brain [1], by waiting time (days) and health authority of residence—NHS hospitals England 1998–99

Health authority	*Days patients waited*		
	1–91	*92–182*	*183–365*
QAA Bexley and Greenwich	1	1	0
QAJ Merton, Sutton and Wandsworth	1	0	0
QAW East London and the City	1	0	0
QCA East Norfolk	1	0	0
QCF Suffolk	1	0	1
QCG Barnsley	1	0	0
QCK Doncaster	1	0	0
QCL Leicestershire	0	2	0
QCW South Cheshire	0	1	0
QD1 North and Mid Hampshire	1	0	0
QD2 Portsmouth and South East Hampshire	0	1	0
QD5 Somerset	1	0	1
QD6 South and West Devon	1	0	0
QD8 Avon	1	0	0
QD9 Birmingham	0	1	0
QDK North Cumbria	1	0	0
QDL South Humber	1	0	0
QEF Shropshire	1	1	0
QEJ South Staffordshire	1	0	0
QEN Worcestershire	2	1	0
Not known	0	0	1
Total	17	8	3

[1] A09.1 Implantation of neurostimulator into the brain

Source:

Hospital Episode Statistics 1998–99 (the latest full year available)

TREASURY

EU Contract Compliance

Mr. Field: To ask the Chancellor of the Exchequer what Government department is responsible for assessing the tendering of contracts within each European member country to ensure that each Government complies with EU law. [121620]

Mr. Andrew Smith: It is the European Commission which monitors the tendering of public contracts in the European Union. Where appropriate, the Commission enforces compliance through proceedings against the member state in the European Court of Justice. Firms harmed by a breach of EC law can also seek remedies under national review systems which member states are required to establish. The Department of Trade and Industry's "Action Single Market" can assist UK firms who meet problems in other member states.

Insurance Industry (Gender Discrimination)

Mr. Baker: To ask the Chancellor of the Exchequer what is his policy on permitting discrimination between consumers by the insurance industry on the grounds of gender. [121510]

Miss Melanie Johnson: The Government's view is that insurers can best service their customers by pricing policies selectively and competitively on the basis of an informed actuarial assessment of risk.

Service Company Workers

Mr. Russell Brown: To ask the Chancellor of the Exchequer if he will make a statement on the tax position of service company workers overseas. [122226]

Dawn Primarolo: Many other countries have rules that are similar to IR35 which discourage the use of service companies to disguise employment. Others are developing such rules at the present time.

In some countries, a worker will be worse off than if they had stayed in the UK and fallen within IR35. These include Norway, Belgium and Germany.

In the US, a service company worker may achieve a marginally higher level of take home pay, but this will be eroded by the additional expense of items such as health care insurance.

In the Netherlands, a service company worker will be substantially worse off than in the UK. The Netherlands do have a generous tax regime for IT workers, but this regime applies only to those who work properly as employees and not to those who work through service companies.

EU Budget

Mr. Nicholas Winterton: To ask the Chancellor of the Exchequer what has been the average daily cost of the United Kingdom's net contribution to the European Union budget over the last three years. [121451]

Miss Melanie Johnson: The United Kingdom's net contribution in each of the year's 1996–97 to 1998–99, the latest three years for which outturn data are available, can be found at Table 13a, page 120, of the Departmental Report of the Chancellor of the Exchequer's Departments (Cm 4615) published on 7 April 2000.

Demutualisation

Dr. Cable: To ask the Chancellor of the Exchequer (1) when and in what form the report of the Government Actuary and the Financial Services Authority into the demutualisation of Standard Life will be published; [121046]

(2) if he will make a statement on the Government Actuary's duty to safeguard reasonable expectations of existing policyholders in the case of demutualisation of life insurers; [121048]

Miss Melanie Johnson: There is no specific procedure for demutualisation laid down in insurance legislation. In practice, a mutual life insurer proposing to demutualise normally transfers its insurance business to a proprietary company. Such a transfer of business requires court approval under the procedure in Schedule 2C to the Insurance Companies Act 1982. An independent actuary's report on the terms of the scheme is considered by the court. Anyone, including policyholders, with an interest can be heard by the court, as the regulator. If demutualisation is achieved, there is no statutory role for the Government Actuary in the process, but the regulator decides whether to make representations to the court or take any other action after appropriate actuarial advice. One important factor which is addressed is the safeguarding of policyholders' reasonable expectations.

There is no formal proposal before the court to demutualise Standard Life.

Royal Fleet Auxiliary

Mr. Prosser: To ask the Chancellor of the Exchequer when he expects to respond to the submission made by the Ministry of Defence on behalf of the Royal Fleet Auxiliary in respect of the current annual pay review for its seagoing officers and ratings. [121363]

Mr. Andrew Smith: I have just done so.

Mr. Prosser: To ask the Chancellor of the Exchequer if he will ensure that future submissions made by the Ministry of Defence on behalf of the Royal Fleet Auxiliary in respect of annual pay reviews will be responded to in time for the annual pay negotiations to be concluded by the agreed anniversary date. [121364]

Mr. Andrew Smith: Our aim is to respond within three weeks of receipt, unless additional information is required.

Household Statistics

Mr. Leigh: To ask the Chancellor of the Exchequer (1) what percentage of families with dependent children are headed by *(a)* married couples, *(b)* cohabiting couples and *(c)* a lone parent by each type; [121365]

(2) what percentage of dependent children live in families which are headed by *(a)* a married couple, *(b)* a cohabiting couple, *(c)* a parent who has never married, *(d)* a widowed parent, *(e)* a divorced parent and *(f)* a separated parent. [121366]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Pullinger to Mr. Edward Leigh, dated 11 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent questions on dependent children and the marital status of heads of families. I am replying in the Director's absence.

Estimates of marital status and family composition are available from the Labour Force Survey (LFS) household datasets, which are available for the spring and autumn quarters of each year. The latest available LFS estimates of dependent children and the marital status of heads of family units are for the autumn (September to November) quarter of 1999 and are given in the tables attached.

The first table gives non-seasonally adjusted LFS estimates of dependent children by the marital status of the head of family unit, the second gives estimate of families with dependent children, again by the marital status of the head of family unit.

Table 1: Dependent children[1] by marital status of head of family—UK, autumn (September-November) 1999

	Number
Dependent children in all family units (thousands) = 100 per cent.	14,638
Percentage of dependent children where head of family is:	
Married	71.1
Co-habiting	8.7
Single, never married	7.0
Widowed	1.1
Divorced	6.9
Separated	5.2

Table 2: Families with dependent children[1] by marital status of head of family—UK, autumn (September-November) 1999

	Number
All families with dependent children (thousands) = 100 per cent.	7,471
Percentage of which headed by:	
Married couple	67.9
Co-habiting couple	10.0
Male lone parent	2.2
Female lone parent	19.9

[1] Dependent children are defined as all 0 to 15-year-olds and 16 to 18-year-olds in full-time education

Source:
Labour Force Survey, ONS

Mr. Leigh: To ask the Chancellor of the Exchequer what percentage of households is headed by a person who is *(a)* married, *(b)* cohabiting, *(c)* single, *(d)* widowed, *(e)* divorced, *(f)* separated and *(g)* cohabiting with someone of the same sex. [121367]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Pullinger to Mr. Edward Leigh, dated 11 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question about the marital status of heads of households. I am replying in the Director's absence.

Estimates of marital status and household composition are available from the Labour Force Survey (LFS) household datasets, which are available for the spring and autumn quarters of each year. The latest available LFS estimates of the marital status of heads of households are for the autumn (September to November) quarter of 1999 and are given in the table attached.

Head of household by marital status UK, autumn (September-November) 1999

	Number
Total households (thousands) = 100%	24,433
Percentage of which whose head is:	
Married	51.3
Cohabiting	7.6
Single	14.7
Widowed	14.1
Divorced	8.5
Separated	3.6
Cohabiting with same sex	0.2

Source:
Labour Force Survey, ONS

Mr. Leigh: To ask the Chancellor of the Exchequer if he will list the usual gross weekly household incomes as referred to in table 3.8 of Living in Britain 1998, of households headed by a person who is *(a)* married with dependent children, *(b)* married with no children or non-dependent children, *(c)* cohabiting with dependent children, *(d)* cohabiting with no children or non-dependent children, *(e)* a lone mother with dependent children, *(f)* a lone mother with no children or non-dependent children, *(g)* a lone father with dependent children, *(h)* a lone father with no children or non-dependent children, *(i)* a single person, *(j)* a same sex couple and *(k)* not in any of the categories above. [121319]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Pullinger to Mr. Edward Leigh, dated 11 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question about the usual gross weekly household income according to the status of the head of the household. I am replying in the Director's absence.

The attached table shows data from the General Household Survey. The GHS is a continuous, multi-purpose survey based on a random sample of the general population resident in private households in Great Britain. It has been carried out by the Social Survey Division of ONS since 1971, and is commissioned by a number of Government Departments and is widely used for policy and planning purposes.

Interviewing took place during the period April 1998 to March 1999. Interviewers collected information from 15,853 adults aged 16 and over in 8,636 households.

Family type by usual gross weekly household income
Population: All families

	Married with dependants (%)	Married with no dependants (%)	Cohabiting with dependants (%)	Cohabiting no dependants (%)	Lone mother with dependants (%)	Lone father with dependants (%)	Lone parent no dependants (%)	Single person (%)	Same sex	Total (%)
Nil	0	1	0	1	0	0	0	3	—	1
£0.01-£50.00	1	1	1	0	1	2	0	3	—	2
£50.01-£100.00	1	1	3	2	26	27	4	23	—	10
£100.01-£150.00	2	9	5	3	24	15	7	15	—	10
£150.01-£200.00	3	10	6	4	13	8	7	11	—	9
£200.01-£250.00	3	8	5	5	8	13	15	9	—	7
£250.01-£300.00	4	8	9	3	7	0	8	6	—	6
£300.01-£350.00	6	6	7	7	6	2	15	6	—	6
£350.01-£400.00	6	6	8	6	4	3	6	5	—	5
£400.01-£450.00	8	6	9	5	2	7	4	4	—	5
£450.00-£500.00	8	5	9	6	3	3	4	3	—	5
£501.01 or more	58	39	37	57	6	20	29	13	—	32
Total cases	1,571	2,332	224	338	542	60	206	2,759	32	[1]8,064

[1] Bases exclude cases where income is not known
[2] These are number of cases and not percentages as the total number of cases is too small for reliable analysis
Source:
General Household Survey 1998

Mr. Leigh: To ask the Chancellor of the Exchequer if he will list the percentage of women with a child aged *(a)* four years or under, *(b)* between five and nine years and *(c)* between 10 and 15 years who (i) work full-time, (ii) work part-time, (iii) are unemployed and (iv) are economically inactive. [121325]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Pullinger to Mr. Edward Leigh, dated 11 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question about the economic status of women with young children. I am replying in the Director's absence.

Estimates of economic status are available from the Labour Force Survey (LFS) which is the major ONS source of labour market data on individuals. The table attached gives non-seasonally adjusted LFS estimates of the economic status of women of working age (16–59 years) with young children in the winter (December to February) quarter of 1999–2000.

People aged 16 or over are classed as in employment by the LFS if they have done at least one hour of paid work (as an employee or self-employed) in the week prior to their LFS interview or if they are temporarily away from their current job. People who do unpaid work in a family business and people on Government-supported training and employment programmes are also included according to the International Labour Organisation convention.

Classification by whether a person works full or part-time is based on the respondent's own assessment.

The measure of unemployment derived from the LFS is defined on a consistent and internationally recognised basis set out by the International Labour Organisation (ILO). It counts as unemployed people who are a) without a paid job, b) available to start work within the next two weeks and c) have either looked for work in the last four weeks or are waiting to start a job already obtained.

People aged 16 or over are classed as economically inactive by the LFS if they are not in employment and do not satisfy the criteria for ILO unemployment. This includes those who want a job but who have not been seeking work in the last 4 weeks, those who are seeking work but are not available to start and those who do not want a job (for example, students not working or seeking work).

Women aged 16–59 by economic status and age of youngest dependent child—UK Winter 1999–2000 (not seasonally adjusted)

Percentage

	All women	*With youngest dependent child aged*			
		0–15	*0–4*	*5–9*	*10–15*
All women (thousands = 100 per cent.)	17,277	6,913	3,050	1,977	1,885
All in employment[1]	68.8	63.3	52.9	68.8	74.3
—part-time[2]	39.0	24.6	18.3	23.9	35.3
—full-time[2]	29.7	38.7	34.6	44.9	39.0
ILO unemployed	3.8	3.9	3.7	4.4	3.6
Economically inactive	27.5	32.9	43.4	26.8	22.1

[1] Includes those who did not say whether they worked full or part-time.
[2] Classification based on respondent's self-assessment.
Source:
Labour Force Survey, ONS

Exchange Rate

Dr. Cable: To ask the Chancellor of the Exchequer how much sterling has changed its value in comparison with the currency of each of Britain's 30 leading trading partners since May 1997. [121021]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Kidgell to Mr. Vincent Cable, dated 11 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question on the value of sterling. I am replying in the Director's absence.

The attached tables show how sterling has moved against the currencies of 30 of the UK's major trading partners between 14 May 1997 and 4 May 2000.

The exchange rates data have been provided by the Bank of England.

Currency movements against sterling[1] between 14 May 1997 and 4 May 2000 for UK's top 30 trading partners[2]

	£ exchange rate		
Country	*14 May 1997*	*at 4 May 2000*	*% change on May 1997*
Exports			
United States	1.6412	1.5448	−6
Germany	2.791	3.3862	+21
France	9.4	11.3574	+21
Netherlands	3.1388	3.8149	+22
Ireland	1.0778	1.3636	+27
Italy	2748.0417	3352.525	+22
Belgium/Luxembourg	57.6061	69.6859	+21
Spain	235.5943	288.0743	+22
Sweden	12.4884	14.0407	+12
Japan	194.0719	166.85	−14
Switzerland	2.3633	2.6782	+13
Saudi Arabia	6.1545	5.7926	−6
Norway	11.559	14.0294	+21
Australia	2.1092	2.6095	+24
Canada	2.2744	2.314	+2
Hong Kong	12.6967	12.0338	−5
Denmark	10.6253	12.8969	+21
South Africa	7.3559	10.663	+45
Singapore	2.3527	2.6581	+13
Portugal	280.6288	347.1166	+24
Turkey	n/a	n/a	n/a
Finland	8.4192	10.293	+22
India	58.837	67.4228	+15
Greece	445.914	582.33	+31
Austria	19.6452	23.8208	+21
Poland	n/a	n/a	n/a

Currency movements against sterling[1] between 14 May 1997 and 4 May 2000 for UK's top 30 trading partners[2]

	£ exchange rate		
Country	*14 May 1997*	*at 4 May 2000*	*% change on May 1997*
Israel	5.5784	6.326	+13
Brazil	1.7526	2.803	+60
Russia	9.4714	43.8569	+363
Malaysia	4.1388	5.8702	+42
Imports			
United States	1.6412	1.5448	−6
Germany	2.791	3.3862	+21
France	9.4	11.3574	+21
Netherlands	3.1388	3.8149	+22
Italy	2748.0417	3352.525	+22
Belgium/Luxembourg	57.6061	69.6859	+21
Japan	194.0719	166.85	−14
Spain	235.5943	288.0743	+22
Ireland	1.0778	1.3636	+27
Switzerland	2.3633	2.6782	+13
Sweden	12.4884	14.0407	+12
Hong Kong	12.6967	12.0338	−5
Norway	11.559	14.0294	+21
Canada	2.2744	2.314	+2
China	13.6097	12.7908	−6
Denmark	10.6253	12.8969	+21
Singapore	2.3527	2.6581	+13
Finland	8.4192	10.293	+22
Portugal	280.6288	347.1166	+24
Taiwan	45.5597	47.3404	+4
South Korea	1455.9085	1716.659	+18
Australia	2.1092	2.6095	+24
Malaysia	4.1388	5.8702	+42
South Africa	7.3559	10.663	+45
Austria	19.6452	23.8208	+21
India	58.837	67.4228	+15
Russia	9.4714	43.8569	+363
Turkey	n/a	n/a	n/a
Thailand	42.5399	59.4362	+40
Greece	445.914	582.33	+31

[1] There is no such thing as an 'official exchange rate'. Exchange rates vary during the day and depending on what time you measure them will influence any average rate calculated. The Bank of England measures representative exchange rates in the London interbank market every day at around 4pm. These rates are the spot middle market rates i.e. The difference between the bid rate (what a bank will sell currency to you at) and the offer rate (what bank will buy a currency from you at) for spot) i.e. Today-but may settle in two to seven days time).
[2] Based on the value of trade in goods and services (exports and imports) in 1998.
Source:
UK Balance of Payments 1999 edition
Bank of England and ONS

GDP

Mr. Gill: To ask the Chancellor of the Exchequer what was the total gross domestic product in 1999. [121411]

Miss Melanie Johnson: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from John Kidgell to Mr. Christopher Gill, dated 11 May 2000:

The Director of the Office for National Statistics (ONS) has been asked to reply to your recent question on Gross Domestic Product (GDP). I am replying in the Director's absence.

The most recently published data for annual GDP was released on the 27th of March 2000. GDP at current market prices for 1999 was £889,874 million, an increase of 5.0% on the previous year. GDP at 1995 constant market prices for 1999 was £788,729 million, an increase of 2.1% on the previous year.

Pension Contributions (Tax Relief)

Mr. Paice: To ask the Chancellor of the Exchequer what the effect is on the maximum pension contributions eligible for tax relief for *(a)* the employer and *(b)* the employee if a pay increase is (i) compulsorily staged by the employer and (ii) voluntarily foregone by the employee. [121369]

Miss Melanie Johnson *[holding answer 9 May 2000]:* In broad terms, tax relievable pension contributions that an employee may pay are based on a percentage of taxable earnings received for a year of assessment.

The treatment of employer contributions depends on the type of pension scheme. With tax approved occupational pension schemes, the employer's contributions are set by the scheme actuary according to the level of benefits promised by the scheme. For a personal pension scheme, total contributions by the employee and employer combined must not exceed an age-related percentage of the employee's taxable earnings for the year.

Public Service Agreements

Mr. Portillo: To ask the Chancellor of the Exchequer how much *(a)* has been spent since May 1997 and *(b)* is projected to be spent in the next 12 months on measures to meet Public Service Agreement targets. [121012]

Mr. Andrew Smith *[holding answer 5 May 2000]:* The Public Service Agreements published following the 1998 Comprehensive Spending Review (CSR) set out the outputs and outcomes the Government are seeking to achieve with the resources allocated for the CSR period. Those spending plans can be found in the CSR White Paper published in July 1998 (Cm 4011).

Mr. Portillo: To ask the Chancellor of the Exchequer how many public service agreement targets *(a)* have been met in full, *(b)* are on course to be met and *(c)* have been abandoned. [121013]

Mr. Andrew Smith *[holding answer 5 May 2000]:* A full report of progress against PSA targets has been included in each Department's Annual Report, recently published jointly with the Treasury.

Mr. Portillo: To ask the Chancellor of the Exchequer how many public service agreement targets have been set to date. [121016]

Mr. Andrew Smith *[holding answer 5 May 2000]:* The Government's White Paper "Public Services for the Future: Modernisation, Reform, Accountability" (Cm 4181, December 1998), with the supplement published in March 1999 (Cm 4315), set out all of the Public Service Agreements agreed following the Comprehensive Spending Review of 1998.

ISAs

Mr. Portillo: To ask the Chancellor of the Exchequer what estimate he has made of the number of people who *(a)* hold and *(b)* have held a mini ISA and a maxi ISA simultaneously. [121014]

Miss Melanie Johnson *[holding answer 5 May 2000]:* The Inland Revenue currently has no estimates of this kind. However, compliance checks are undertaken after the end of the tax year, based on ISA managers' annual information returns. Estimates based on these returns will be available later in the year.

Private Finance Initiative

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer what studies his Department has *(a)* undertaken, *(b)* commissioned and *(c)* reviewed on the efficiency of the Private Finance Initiative; and if he will make a statement. [120925]

Mr. Andrew Smith *[holding answer 5 May 2000]:* The Treasury has commissioned two reports on PFI, focusing on the efficiency of the PFI process. These were the first and second reviews of PFI Policy undertaken by Sir Malcolm Bates in the Spring/Summer of 1997 and in the Spring/Summer of 1999. These were published respectively on 23 June 1997 and on 22 July 1999.

In June 1999, the Treasury Taskforce commissioned Arthur Andersen to undertake a study of value for money in a range of operational PFI projects. The results of the findings were published on 17 January 2000 in "Value for Money Drivers in the Private Finance Initiative".

Copies of all these reports were placed in the Library of the House.

The Treasury has also published Public Private Partnerships: The Government's Approach on 15 March 2000.

London Stock Exchange Merger

Mr. Cash: To ask the Chancellor of the Exchequer what representations he has received on the proposed merger of the London Stock Exchange and the Deutsche Börse; and if he will make a statement. [121671]

Miss Melanie Johnson: None. The terms of the proposed merger are a matter for the parties involved, subject to their securing the necessary approval of the relevant regulatory and competition authorities.

Investment Services Directive

Mr. Mitchell: To ask the Chancellor of the Exchequer what consultation the Government have had on the proposed reform of the Investment Services Directive. [121669]

Miss Melanie Johnson: The European Commission's Communication "Implementing the Framework for Financial Markets: Action Plan" (COM(1999)232) includes a proposal for a Commission Green Paper on upgrading the Investment Services Directive.

LORD CHANCELLOR'S DEPARTMENT

Court Service

Mr. Jenkins: To ask the Parliamentary Secretary, Lord Chancellor's Department what are the key performance targets for the Court Service Executive Agency for 2000–01. [122147]

Jane Kennedy: The table sets out the key performance targets that the Lord Chancellor has set for the Court Service for 2000–01.

	Performance indicator	*Target 2000–01*
KPI 1	The quality of service provided to court users	85 per cent.
KPI 2	The percentage of administrative work in the civil courts processed within target time	94 per cent.
KPI 3	The percentage of Crown Court cases that commence within target	78 per cent.
KPI 4	Average waiting time for asylum appeals from receipt at the Immigration Appellate Authority to promulgation of the Adjudicator's decision	16 weeks
KPI 5	The percentage of the cost of the civil courts recovered through fees	94 per cent.

Community Legal Service

Mr. Dalyell: To ask the Parliamentary Secretary, Lord Chancellor's Department for what reason at the launch of the new Community Legal Service an actress was used to portray the legal needs of poor women on video. [121673]

Mr. Lock: Actors were used to preserve client confidentiality because the video illustrated real case histories provided by advice workers. It was made clear, at the time of the launch, that actors were used when the video was introduced in order to illustrate and explain these issues.

Family Law

Mr. Lepper: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on the timetable for the Government's response to the recommendations of the Advisory Board on Family Law Children Act Sub-Committee on *(a)* good practice guidelines for courts in relation to parental contact in cases where there is domestic violence and *(b)* training for the Court Welfare Service and the judiciary in understanding the effects of domestic violence on children and parents. [121317]

Jane Kennedy: The Lord Chancellor welcomes the Report on Contact between Children and Violent Parents from the Children Act Sub-Committee of the Advisory Board on Family Law. He agreed to make the report available in draft to the Court of Appeal so that it could consider the proposed guidelines in four appeals on this subject which were heard in March and on which judgment has been reserved. Once judgment in those cases has been given, the Lord Chancellor will consider with the President of the Family Division what further action may be necessary. The Family Court Welfare Service is currently the responsibility of the Home Office but I understand that induction for family court welfare officers addresses the issue of domestic violence. As part of the development of the new Children and Family Court Advisory and Support Service (CAFCASS), which will fall within the responsibility of the Lord Chancellor's Department, current training arrangements are being reviewed, with a view to identifying developments and improvements for the new service. Judicial training is the responsibility of the Judicial Studies Board which already provides core training on domestic violence.

SOCIAL SECURITY

Ministerial Speech (Association of British Insurers)

Mr. Willetts: To ask the Secretary of State for Social Security if he will place in the Library a copy of his recent speech to the Association of British Insurers. [121526]

Mr. Darling: My remarks to the annual dinner of the Association of British Insurers were not delivered from a prepared text.

Stakeholder Pensions

Mr. Willetts: To ask the Secretary of State for Social Security if stakeholder pensions are intended for *(a)* moderate and high earners and *(b)* low earners. [121527]

Mr. Darling: The Pensions Green Paper "A new contract for welfare: partnership in pensions", published in December 1998, set out that stakeholder pension schemes will be open to everyone.

Stakeholder pensions are primarily intended for moderate earners—those earning between about £10,000 and £20,000 a year—but many higher earners will also be able to take advantage of the lower charges, greater flexibility, and simpler tax regime which stakeholder pension schemes will introduce.

The Green Paper also describes our proposals to introduce the State Second Pension. This will specifically benefit low earners on incomes of less than £10,000 a year.

IT Procurement

Mr. Field: To ask the Secretary of State for Social Security if he will list each item of IT procurement with a value over £10,000 agreed with Electronic Data Systems

by his Department since 1 May 1997; when each contact was agreed; when the delivery began; when the system became fully operational; and if the system is still in use. [121622]

Angela Eagle: I refer my right hon. Friend to the written answers provided by the Chief Executive of the Child Support Agency, Faith Boardman on 5 May 2000, *Official Report*, columns 253–54W, and the former Chief Executive of the Benefits Agency, Peter Mathison on 18 April 2000, *Official Report*, columns 551–52W. These replies set out the current departmental position on IT procurements agreed with EDS since 1 May 1997.

ONE Service

Mr. Alexander: To ask the Secretary of State for Social Security (1) what percentage of the women who have used the single work-focused gateway were *(a)* single mothers, *(b)* married, *(c)* widows and *(d)* carers; and what steps have been taken to ensure that staff who operate this service are trained to give the proper advice to each category of women; [121099]

(2) what proportion of the clients who have used the single work-focused gateway have been women in the pilot projects in *(a)* Great Britain and *(b)* Clyde Coast and Renfrew. [121101]

Angela Eagle: Currently, the information we collect from the ONE pilot offices is not broken down by gender or marital status.

Currently, the information we collect is not broken down by gender. Neither is information on marital status collected.

However, in the first seven months, the basic model ONE service was used over 72,000 times to make a claim to benefit. Over 60,000 of these were claims for Jobseeker's Allowance (JSA). Of the non-JSA claims, around 22 per cent. were claims for Income Support for lone parents, and around 8 per cent. were claims for other benefits including Widows' Benefit and Invalid Care Allowance.

ONE Personal Advisers receive individual tailored training through the ONE Learning Assessment Framework which has been specifically designed to match training provision with the individual training needs of staff. The Framework will be used by staff to review their learning needs and assess their competence development, which will provide them with the knowledge and skills needed to deal professionally with all ONE clients, including lone parents, widows and carers.

State Pension

Mr. Flynn: To ask the Secretary of State for Social Security, pursuant to his answer to the hon. Member for Poplar and Canning Town of 11 April 2000, *Official Report*, column 144W, on the state pension, what assumptions underlay his answer regarding future rates of increase in prices and earnings and increases in take-up of income support. [121194]

Mr. Rooker: The information is in the table.

	April 1998	*April 1999*	*April 2000*	*April 2001*
Price uprating of RP (based on previous September RPI)	3.6	3.2	1.1	3.4
Earnings uprating of RP (based on previous September AEI)	4.1	4.9	4.4	4.3
Earnings uprating of the MIG (based on three months to previous July AEI)	—	—	4.6	4.9

Notes:

1. The minimum income guarantee (MIG) is uprated by average earnings index (AEI), based on an average of three months to July of the previous year. Actual AEI used for April 2000 uprating and an assumption for 2001 uprating. It is assumed that the take-up rate of the MIG remains broadly constant. Therefore any effects of this year's take-up campaign are not included.

2: The assumptions for Retirement Pension are actual price uprating to April 2000, based on previous September's Retail Prices Index (RPI), and an estimate of September 2000 RPI for 2001 uprating. Earnings uprating is based on previous September's average earnings figures up to April 2000, with an estimate of September 2000 earnings for April 2001 uprating.

Written Answers to Questions

Friday 12 May 2000

ENVIRONMENT, TRANSPORT AND THE REGIONS

Housing Improvement Agencies

Sir Paul Beresford: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 30 March 2000, *Official Report*, column 228W, on housing improvement agencies, what previous experience Collective Enterprises Ltd. has had in administering Government grants; and on what basis he determined that CEL possessed *(a)* broad-based expertise in housing and care issues, *(b)* the capacity to support individual agencies and their managing agents across England and *(c)* the ability to deliver services from a position of independence and impartiality. [121844]

Mr. Mullin: Officials of my Department and the Department of Health evaluated the tenders received from Care and Repair England Ltd. and Collective Enterprises Ltd. (CEL) against a range of criteria, including those mentioned by the hon. Member, and recommended that CEL's tender as a whole offered a more effective approach to the delivery of the requirements of the national co-ordinating role. My Department's contract with CEL does not require them to administer the system of grants to individual home improvement agencies.

Environment Agency

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions (1) what the average fine imposed on businesses prosecuted by the Environment Agency was in each of the last three years; [121843]

(2) how many businesses were successfully prosecuted by the Environment Agency in each of the last three years. [121842]

Mr. Mullin: The Environment Agency publishes prosecution statistics in its annual reports. Although these figures do not distinguish between companies and individuals, and it would cause disproportionate cost to do so here, most prosecutions are against businesses. The 1999–2000 annual report will be laid before Parliament in July. Figures for the previous two years are as follows.

Function/year	*Number of prosecutions*	*Average fine (£)*
Water Quality		
1997–98	222	4,258
1998–99	258	6,157
Waste		
1997–98	313	1,999
1998–99	301	1,060
Integrated Pollution Control		
1997–98	12	18,375
1998–99	16	11,000
Radioactive Substances		
1997–98	3	11,000
1998–99	3	37,666
Water Resources		
1997–98	17	4,576
1998–99	21	2,159
Flood Defence		
1997–98	1	2,850
1998–99	4	1,387
Navigation		
1997–98	31	118
1998–99	43	162

The average fines for Water Quality offences in 1998–99 has been adjusted to reflect the reduction in the amount the Milford Haven Harbour Authority was fined for its part in the Sea Empress disaster. On appeal the fine was reduced from £4 million to £750,000.

Urban Design

Angela Smith: To ask the Secretary of State for the Environment, Transport and the Regions when he will publish good practice guidance on urban design in the planning system. [122345]

Mr. Raynsford: The good practice guidance we have prepared in partnership with the Commission for Architecture and the Built Environment will be published on Monday 15 May. Copies of "By Design. Urban design in the Planning System; towards better practice" will be placed in the Library of the House.

"By Design" will form a key part of the Government's strategy for promoting better urban design in the planning and development system. It provides sound, practical advice on how to implement the Government's commitment to good design as set out in Planning Policy Guidance, in particular PPG1 "General Policy and Principles" and PPG3 "Housing". It also reinforces the call in the Urban Task Force's report "Towards an Urban Renaissance" for earlier, greater and better-informed attention to urban design.

Regional Development Agencies

Angela Smith: To ask the Secretary of State for the Environment, Transport and the Regions what the total budget is for each of the regional development agencies for 2000–01; and if he will break it down in each case by programme. [122460]

Ms Armstrong: The budgets of the regional development agencies for 2000–01 are as follows.

	NE	NW	YH	EM	WM	E	SE	SW	Total
Administration	9,713	12,334	8,284	7,158	7,732	4,805	5,737	7,586	63,349
Land and Property	15,930	8,180	13,370	8,250	6,990	2,000	3,200	19,400	77,320
Partnership Investment Programme	21,960	72,680	20,000	18,200	13,410	6,500	12,500	11,800	177,050
Single Regeneration Budget	93,500	140,900	127,700	37,700	86,400	18,400	47,200	23,700	575,500
Rural Development	2,859	1,283	3,375	3,381	1,883	3,100	1,799	7,023	24,703
Skills Development Fund	2,305	6,027	4,400	3,623	4,969	4,242	5,929	3,679	35,174
Skills Administration	186	294	241	215	257	233	290	233	1,949
Inward Investment	1,715	1,443	1,465	1,064	1,389	965	965	1,554	10,560
Competitiveness Development Fund	440	440	440	440	440	440	444	444	3,528
Clusters	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	12,000
Gross Total	150,108	245,081	180,775	81,531	124,970	42,185	79,564	76,919	981,133
Land and Property	−15,770	−14,670	−8,800	−9,100	−4,000	−650	−3,500	−14,950	−71,440
PIP receipts	−5,830	−21,190	−2,000	−2,700	−6,000	−150	−4,000	−1,950	−43,820
Rural Development	−236	−270	−453	−590	−183	−145	−142	−575	−2,594
Other Current	−13,920	−11,468	−5,335	−2,048	−1,395	−418	0	−3,416	−38,000
Total Receipts	−35,756	−47,598	−16,588	−14,438	−11,578	−1,363	−7,642	−20,891	−155,854
Net Total	114,352	197,483	164,187	67,093	113,392	40,822	71,922	56,028	825,279

Rail Schemes

Dr. Marek: To ask the Secretary of State for the Environment, Transport and the Regions what his policy is on checking the reliability of privately-produced studies of proposed rail schemes, with particular reference to Virgin Trains' commercial study of electrification of the North Wales main line. [121839]

Mr. Hill: The Franchising Director would normally verify the accuracy of any privately produced railway study, using external consultants where necessary. Virgin Trains' study was presented to the former Office of Passenger Rail Franchising (now the shadow Strategic Rail Authority), and the Franchising Director judged its conclusions to be valid, having considered it in line with the organisation's process of due diligence.

Departmental Inquiries

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 18 April 2000, *Official Report*, column 444W, which of the reviews, public inquiries and commissions of inquiry listed have been carried out by paid appointees; who are the paid appointees; and what is their level of remuneration. [121845]

Ms Beverley Hughes: The information requested is not held centrally and could be provided only at disproportionate cost.

London Underground

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on *(a)* train, *(b)* signal and *(c)* track failures in each financial year since 1994–95 for each line of the London Underground and the cumulative figures for all lines. [119670]

Mr. Hill: I refer the hon. Member to the answer given to his earlier question on 21 December 1999, *Official Report*, column 523–24W. London Underground has provided the figures for the extra years which have been requested and these are included in the table, along with the figures for the full year 1999–2000.

	Service disruption due to failures in:		
	Trains	Signal/points	Other track
1994–95	16,126	2,349	659
1995–96	15,102	2,494	959
1996–97	14,873	2,323	1,007
1997–98	18,088	2,827	907
1998–99	20,159	2,756	869
1999–2000	16,216	2,626	909

These figures show a significant reduction in train failures in 1999–2000 compared with the previous year. This is attributable to the new or refurbished stock now available on the Northern, Jubilee and Piccadilly lines. The reduction of signal or points failure in 1999–2000 compared with the two previous years reflects investment and maintenance work enabled by the additional funding provided by the Government.

Air Traffic Control

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions which EU member states have privatised their air traffic control facilities in the last five years. [121295]

Mr. Mullin: No state in Europe has privatised its main air traffic control service provider. However, a number of states are, like the UK, looking at ways to commercialise their service providers and at how to introduce new management expertise and financing into the provision of air traffic control.

Noise Mitigation Schemes

Mr. Luff: To ask the Secretary of State for the Environment, Transport and the Regions if he will instruct the Highways Agency to add to the list of possible noise mitigation schemes, published in the *Official Report* on 11 November 1999, columns 681–83W, *(a)* the A46 at Harvington and *(b)* the M5 at Whittington. [121313]

Mr. Hill: No. Neither location meets the criteria established in the announcement of 22 March 1999 to determine whether the need for noise remedial measures should be studied in further detail. The A46 at Harvington carries far less traffic than would generate a roadside

noise level of 80dB (A). The M5 at Whittington was improved more recently than 1988 and noise mitigation measures were provided in accordance with current standards.

Mr. Luff: To ask the Secretary of State for the Environment, Transport and the Regions if he will review the criteria for potential road noise mitigation schemes published on 22 March 1999 to include roads built or widened after 1988. [121314]

Mr. Hill: The purpose of the policy is to focus attention on cases where people may not have had the benefit of noise mitigation measures provided in accordance with current standards. These standards were introduced in 1988 and it is not appropriate to review schemes where noise mitigation was designed within those standards.

Camping

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions what powers he has to recover the cost to the community of site clearance and waste disposal caused by unauthorised camping. [121297]

Mr. Mullin: Under section 59(8) of the Environmental Protection Act 1990, the Environment Agency or local authority is entitled to recover its costs incurred from any person who made, or knowingly caused or permitted, the illegal deposit of any waste.

Housing (Multiple Occupation)

Ms Drown: To ask the Secretary of State for the Environment, Transport and the Regions when he will introduce licensing legislation in respect of houses in multiple occupation in England and Wales. [121776]

Mr. Mullin: We will introduce the necessary primary legislation as soon as Parliamentary time can be found. Key conclusions and a summary of responses to our 1999 consultation paper for England will be published in due course.

European Research Area

Mr. Mitchell: To ask the Secretary of State for the Environment, Transport and the Regions what communications he has received on the proposed establishment of a European research area; and how much money the Community has spent in the United Kingdom for research projects chosen by the European Community. [121633]

Ms Hewitt: I have been asked to reply.

The Commission issued a Communication "Towards a European Research Area" [COM (00)6] on 18 January 2000. An explanatory memorandum on this Communication was deposited in the House of Commons and House of Lords on the 17 March 2000. It is expected that at its meeting on 15 June the Research Council will adopt a Council Resolution as a formal response to this Communication.

The European Community's main instrument for funding scientific research and development is the Framework Programme. This is administered by the European Commission. As a matter of policy the Commission do not publish data showing the amount of funding awarded on a country-by-country basis.

PUBLIC ACCOUNTS COMMISSION

Electronic Data Systems

Mr. Field: To ask the Chairman of the Public Accounts Commission if the National Audit Office has *(a)* a contract and *(b)* a framework agreement with Electronic Data Systems. [121790]

Mr. Sheldon: The National Audit Office has neither a contract nor a framework agreement with Electronic Data Systems.

CABINET OFFICE

Public Opinion Research

Fiona Mactaggart: To ask the Minister for the Cabinet Office when guidance on public opinion research will be published. [122308]

Mr. Ian McCartney: Guidance on Government Research into Public Attitudes and Opinions is being published today. A copy of the guidance has been placed in the Libraries of the House.

Ministerial Red Boxes

Mr. Gray: To ask the Minister for the Cabinet Office, pursuant to her answer of 2 May 2000, *Official Report*, column 88W, what is the guidance concerning the carrying of Ministerial Red Boxes on trains; and of what breaches of that guidance she has been notified in the last six months. [121135]

Marjorie Mowlam: Ministerial Red Boxes generally contain official papers or other material which may be sensitive or valuable. Due care therefore needs to be given to their protection when carried on any form of public transport, as set out in the general rules governing the control of such material. There is no requirement to notify me of breaches of the guidance.

CULTURE, MEDIA AND SPORT

Athletics Facilities

Mr. Gill: To ask the Secretary of State for Culture, Media and Sport what funding is available from his Department for facilities for the provision of athletics in the area of Bridgnorth District Council. [121355]

Kate Hoey: Funding for athletics is available from a variety of sources. The National Lottery provides funding for facilities across a wide range of different sports, including athletics. The Lottery Sports Fund provides around £200 million to distribute each year. Funding may also be available from other sources including local authorities, Sportsmatch (the Government's business incentive scheme for sport) and the Foundation for Sport and the Arts.

National Lottery

Mr. Davidson: To ask the Secretary of State for Culture, Media and Sport what data he has collated on differential rates of spending on the National Lottery by different social classes *(a)* in absolute terms and *(b)* as percentages of income; if he will publish this data; and if he will make a statement. [120626]

Kate Hoey: The National Lottery Commission supports a social research programme on participation in the National Lottery. Report No. 1 of this programme, published in May 1999, contains data on participation by social class and income category. Copies of this report are being placed in the Libraries of the House today.

Public Library Services

Mr. Geraint Davies: To ask the Secretary of State for Culture, Media and Sport what guidance he proposes to issue to library authorities about the public library services they should be providing. [122346]

Mr. Chris Smith: I am publishing draft public library standards on Monday 15 May, a day which already marks the celebration of 150 years of public libraries, and I shall be placing copies of those draft standards in the Libraries of the House that morning. Following a wide consultation with library authorities, users, key organisations and other interested people, I hope to publish final standards later in the year and intend that they should then take effect from 1 April 2001.

INTERNATIONAL DEVELOPMENT

Ethically Produced Food

Dr. Marek: To ask the Secretary of State for International Development if she will make a statement about her policy on ethically produced food in developing countries, with particular reference to *(a)* animal welfare standards, *(b)* employment practices and *(c)* consequences for the environment. [121840]

Clare Short: The Government support ethical approaches to business and trade, which have an important part to play in promoting sustainable development and in bringing benefits to poor people in developing countries. We take account of animal welfare standards, employment practices and consequences for the environment.

My Department has developed detailed guidelines on the use of animals for any purpose, agricultural or otherwise. These guidelines govern animal welfare standards in all our programmes and projects. They reflect the broad guiding principles that use must be humane and that harms of a certain degree or kind ought under no circumstances to be inflicted on an animal. A copy of these guidelines is being placed in the Library of the House.

We encourage British retailers to examine their global supply chains to ensure they comply with the Core Labour Standards, as set internationally by the ILO within the Declaration of Fundamental Principles and Rights to Work, or can be bettered by voluntary codes of conduct such as SA 8000 or the base code of the Ethical Trading Initiative, which is supported by my Department.

We also Promote better environmental management as a contribution to eliminating poverty. Environmental considerations are integrated throughout our programmes. All projects are screened at the design stage and monitored during implementation for their impact on the environment. My Department supports work to develop and implement a wide array of technologies and approaches that mitigate the impact of food production on the environment in developing countries. We also support efforts to encourage the private sector in developing countries to integrate environmental concerns into decision making by assistance to industry organisations, promotion of industry codes of conduct and environmental auditing standards.

India

Mr. Khabra: To ask the Secretary of State for International Development what financial assistance her Department has given to the victims of the disaster in the states of Gujarat and Rajastan in India. [121318]

Clare Short: My Department has provided £500,000 to Oxfam for drought relief activities in Gujarat and Rajastan. We are in close contact with other agencies working in this area and also in the drought affected regions of Pakistan and Afghanistan. We stand ready to respond further to assessed needs.

BP Amoco

Dr. Tonge: To ask the Secretary of State for International Development what discussions he has had with BP Amoco concerning their investment in Petro China in relation to its plans to operate in Tibet. [121586]

Mr. Foulkes: Neither I, nor the Secretary of State, have had discussions with BP Amoco concerning their investment in Petro China.

Sierra Leone

Dr. Tonge: To ask the Secretary of State for International Development what percentage of the United Kingdom's assistance for security sector reform in Sierra Leone is paid for by *(a)* her Department and *(b)* other Government Departments. [121583]

Mr. Foulkes: Assistance provided for security sector reform to date amounts to £1.15 million all of which is to be met by our Department.

Dr. Tonge: To ask the Secretary of State for International Development if she will make a statement on her Department's support for security sector reform in Sierra Leone. [121584]

Mr. Foulkes: Security is a top priority for the poor. Without basic security it is impossible for poor people to build a better life and to work their way out of poverty. During the eight years of civil war in Sierra Leone unaccountable armed forces became part of the security problem. Our Department has been working closely with the Government of Sierra Leone, as well as the World Bank and others to support the disarmament and demobilisation programme as well as supporting wider reform in the security sector including reforms to the military and the police force.

Dr. Tonge: To ask the Secretary of State for International Development if she will list the projects her Department supports in Sierra Leone, indicating the financial support provided to each. [121585]

Mr. Foulkes: DFID has allocated resources in support of the following projects in Sierra Leone:

	£ million
Support to the Government of Sierra Leone's National Programme for Disarmament, Demobilisation and Reintegration	12.4
Emergency support to Lungi Demobilisation Camp	1.6
Security Sector Project (SILSEP)	1.7
Support to the Commonwealth Police Development Taskforce (includes Police Humanitarian Fund and Public Order support)	2.45
Provision of an Inspector General of Police	0.25
Military Reintegration Plan (MRP)	3.4
Commonwealth Community Safety and Security Project	12.9
Support to Campaign for Good Governance (Civil Society)	0.2
Support for the return of Paramount Chiefs	2.0
Law Development Project (incl. Legal Draftsman)	2.2
Media Development Project	1.1
Governance assistance programme: British Council project management	1.1
Support to the President's office	0.2
Humanitarian Relief and reconstruction	5.0
Budgetary Support for essential services/repayment of debts	20.5
Ferry	1.5

Pakistan

Dr. Tonge: To ask the Secretary of State for International Development what recent representations she has received on bonded labour in Pakistan; and if she will make a statement. [121587]

Mr. Foulkes: We receive occasional representations from human rights groups and from individuals.

The Secretary of State's statement to the House of Commons on 10 November 1999, *Official Report*, column 553W, affirmed the British Government's commitment to the elimination of all forms of forced or compulsory labour, both in the UK and overseas. That continues to be our position.

The practice of forced (or 'bonded') labour remains a problem in Pakistan, notwithstanding the existence of legislation there to outlaw it. Therefore, we take every suitable opportunity to remind the authorities of their obligations to uphold the basic rights of all the Pakistani people, particularly the poor and disadvantaged. It is these groups, inevitably, that are most vulnerable to the perils of 'debt bondage' and 'bonded' employment.

Our Department maintains contact with organisations which are active in campaigning, or in acting against such violations of human rights. We stand ready to support their work in Pakistan if worthwhile opportunities emerge. Meanwhile, we are supporting an innovative programme to phase out child labour from the football manufacturing industry in and around Sialkot.

HEALTH

Meat Hygiene Service

Mr. Livsey: To ask the Secretary of State for Health if he will instruct the Food Standards Agency to conduct an inquiry into the circumstances surrounding the closure of the Mead Webber Abattoir at Eardisley, with particular reference to the conduct of the Meat Hygiene Service. [121219]

Ms Stuart *[holding answer 10 May 2000]:* This is a matter for which the Food Standards Agency is responsible. I understand that a formal complaint has been received from Mead Webber Ltd. about the circumstances surrounding the closure of the abattoir, and that it has been agreed by the Food Standards Agency that an independent investigation will be carried out. The most appropriate way of doing this, acceptable to both parties, is being urgently considered, with a view to it starting as soon as possible.

Medical Treatment Abroad

Mr. Field: To ask the Secretary of State for Health how many patients have used the E112 procedure to have medical treatment abroad in each of the last five years. [121788]

Ms Stuart: The information requested is as follows:

Year	*Number of E112s issued*
1995	[1]409
1996	815
1997	859
1998	812
1999	860

[1] Records incomplete

Royal Liverpool Children's NHS Trust

Mr. Field: To ask the Secretary of State for Health what decision has been taken with respect to Hilary Rowland's chairmanship of the Royal Liverpool Children's NHS Trust; who took the decision; which Ministers were consulted on this decision; and if he will make a statement. [121787]

Ms Stuart: Hilary Rowland, Chief Executive, is on extended leave from her post at the Royal Liverpool Children's National Health Service Trust after what has been an exceptionally demanding period, both for her and for Alder Hey Children's Hospital. During this time, Ms Rowland remains in contact with regional officials at the NHS Executive North West and has their continuing support.

Human Papilloma Virus Testing

Mrs. Spelman: To ask the Secretary of State for Health for what reason there has been a delay in the selection of pilot sites for human papilloma virus testing. [121784]

Yvette Cooper: The Department is currently establishing an advisory group, which will oversee the commissioning and running of the pilot sites for human papilloma virus testing and provide expert advice and support on all aspects of the scope of the project. A limited competition exercise will be held in the summer to select the pilot sites, and it is anticipated they will be chosen by the autumn. Testing will begin when preparatory work at each site is complete.

LORD CHANCELLOR'S DEPARTMENT

Magistrates Courts

Sir Peter Emery: To ask the Parliamentary Secretary, Lord Chancellor's Department what estimate he has made of the savings which will result from closing the *(a)* Axminster and *(b)* Exmouth magistrates courts. [121785]

Jane Kennedy: None. Under the provisions of the Justices of the Peace Act 1997 the Axminster and Exmouth magistrates courts are managed locally by the Devon and Cornwall Magistrates Courts Committee. Decisions concerning closure are for that Committee to determine, although a contributing local authority may appeal to the Lord Chancellor against a proposed closure. The procedure for such appeals is set out in section 56 of the Act. In the absence of an appeal the Lord Chancellor has no locus in the matter.

NORTHERN IRELAND

Rifle Thefts

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many *(a)* rifles minus their bolts and *(b)* complete rifles were stolen from their civilian owners in Northern Ireland in each of the last three years for which figures are available; and of these how many were (i) .22 calibre and (ii) full bore. [121259]

Mr. Ingram: The Chief Constable has advised me that the information is not retained in a manner which readily permits obtaining the detail necessary to answer this question without incurring a disproportionate cost.

Firearms

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many legally held firearms have been destroyed in the last 12 months for which figures are available, as a consequence of the authority to hold such a firearm being *(a)* withdrawn and *(b)* given up by the holder; and of those firearms how many were (i) handguns, (ii) rifles of .22 calibre, (iii) rifles over .22 calibre, (iv) shotguns and (v) other firearms. [121258]

Mr. Ingram: The Chief Constable has advised me that the following firearms, legally held on certificate, were destroyed during the period 1 May 1999 to 30 April 2000.

Firearms	*Number*
Shotguns	1,199
Handguns	414
Rifles	268
Air Rifles	299

It has not been possible to give a more detailed breakdown.

Performance Targets (Social Security)

Mr. Russell Brown: To ask the Secretary of State for Northern Ireland what performance targets have been set for the Social Security Agency for the current financial year. [122440]

Mr. George Howarth: The following targets have been set with the objective of continuing to provide high levels of service to customers. I am satisfied that the targets represent a demanding challenge for the Agency. The targets will be included in the Agency's 2000–03 Strategic and Business Plan, which is due for publication this month. A copy of the Plan will be placed in the Library. The targets are as follows:

1. *Customer Satisfaction*

   90 per cent. of customers to regard the Agency's services as satisfactory or better.

2. *New Deal initiatives*

   To increase the numbers of Lone Parents participating in the scheme by 25 per cent. year on year.

   To have 5 per cent. of those Partners of the Unemployed targeted agree to participate in the scheme.

3. *Resource Management*

   To achieve cash efficiency savings of the order of £1.4 million.

4. *Benefit Accuracy*

   Disability Living Allowance—To pay the correct amount in at least 88 per cent. of cases.

   Incapacity Benefit—To pay the correct amount in at least 95 per cent. of cases.

   Income Support—To pay the correct amount in at least 89 per cent. of cases.

   Jobseeker's Allowance—To pay the correct amount in at least 91 per cent. of cases.

5. *Fraud*

   To achieve a 5 per cent. reduction in the level of fraud and error in Income Support and Jobseeker's Allowance.

6. *Financial Recovery*

   Recovery of overpayments—£3.7 million.

PRIME MINISTER

Post Office

Mr. Kirkwood: To ask the Prime Minister when he will publish the Performance and Innovation Unit's report on the social value of rural post offices; and if he will make a statement. [121126]

Mr. Gordon Prentice: To ask the Prime Minister when he expects to publish the Performance and Innovation Unit report on the Post Office. [120480]

The Prime Minister: The Performance and Innovation Unit report on the Post Office network will be published shortly.

Asylum Seekers

Mr. Evans: To ask the Prime Minister if he will list the departments which have spent money directly or indirectly on asylum seekers in the years *(a)* 1995, *(b)* 1996, *(c)* 1997, *(d)* 1998, *(e)* 1999 and *(f)* 2000 to date. [119451]

The Prime Minister *[holding answer 17 April 2000]:* I refer the hon. Member to the answer given to him by my right hon. Friend the Home Secretary on 9 May 2000, *Official Report*, columns 332–33W.

Social Exclusion

Mr. Gerald Howarth: To ask the Prime Minister if he will define social exclusion. [120672]

The Prime Minister: Social exclusion is a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown.

Aircraft

Mr. Jenkin: To ask the Prime Minister if he is evaluating proposals for acquiring aircraft for his official use. [118108]

The Prime Minister *[holding answer 10 April 2000]:* No. As my answer to the hon. Member of 3 April 2000, *Official Report*, column 279W, made clear, decisions on which aircraft to use will be determined on cost, the numbers of people travelling with me, security and business considerations and the availability of aircraft. There is no dedicated aircraft which is solely for my use.

FOREIGN AND COMMONWEALTH AFFAIRS

Zimbabwe

Mr. Ennis: To ask the Secretary of State for Foreign and Commonwealth Affairs what the Government's policy is on arms sales to Zimbabwe; and if he will make a statement. [122442]

Mr. Robin Cook: The Government's policy on export licence applications for Zimbabwe was set out in my statement to the House of Commons on 3 May 2000, *Official Report*, columns 149–62.

As I informed the House, the Government decided last week, in the light of the deteriorating situation in Zimbabwe, to refuse from 3 May all applications for new licences for Zimbabwe for goods and technology listed in part III, schedule 1, of the Export of Goods (Control) Order 1994, as amended (commonly known as the Military List).

This included all new licence applications for spare parts in connection with previous contracts. We also began a review of all extant export licences for Zimbabwe.

In line with my right hon. Friend the Prime Minister's statement of 9 February 2000, *Official Report*, columns 184–85W, the Government will not grant export licences for dual-use equipment where there is a clear risk that the equipment would be used in the Democratic Republic of the Congo. Other applications for Standard Individual Export Licences to export dual-use equipment to Zimbabwe will be considered on a case-by-case basis against the national criteria and those in the EU Code of Conduct.

We have now completed the review of extant licences foreshadowed in my statement of 3 May. The Government place considerable importance on UK companies being able to honour their contractual obligations. They do not, therefore, revoke existing licences except in exceptional circumstances. Zimbabwe has now regrettably placed itself in that category. We have, therefore, decided to revoke all extant Standard Individual Export Licences for goods and technology on the Military List (with the possible exception of one extant licence for de-mining equipment already in Zimbabwe) and to remove Zimbabwe as a permitted destination from all Open Individual Export Licences for goods and technology on the Military List.

In addition, Zimbabwe is a permitted destination on four Open General Export Licences (OGELs) and two Open General Transhipment Licences (OGTLs) which allow the export of goods and technology on the Military List. Zimbabwe will now be removed from the coverage of these licences. Amended copies of these licences will be placed in the Library of the House.

We will remove Zimbabwe as a permitted destination from the coverage of extant Open Individual Export Licences for dual-use equipment. Exporters affected by this measure may, however, submit applications for Standard Individual Export Licences for this equipment. Such applications will be considered on a case-by-case basis against the criteria as described above.

We will also be prohibiting transhipment of goods on the Military List to Zimbabwe via the United Kingdom without a licence, by means of an amendment to schedule 3 of the EG(C)O.

The effect of this is that we now have a national arms embargo on Zimbabwe. We will be requesting the Crown Dependencies and Overseas Territories to take the necessary measures to implement the same embargo.

The Government will continue to monitor events in Zimbabwe closely.

China

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Government policy towards China and human rights discussions in the United Nations. [121501]

Mr. Hain: The United Kingdom has a wide-ranging relationship with China. As Permanent Members of the United Nations Security Council we regularly discuss an extensive range of international interests and responsibilities including global and regional security, as well as political, financial, economic and environmental issues.

The UN Commission on Human Rights considered a resolution tabled by the United States on the human rights situation in China on 18 April. We voted against a Chinese sponsored "No-Action" motion to guillotine discussion on a US sponsored resolution. The EU Presidency condemned the continuing restrictions upon

the fundamental freedoms of thought, expression, religion, assembly and association. on behalf of the EU, the Presidency also made it clear that it was vital that the human rights dialogue with China should continue and be kept under regular review.

Sri Lanka

Mr. Trend: To ask the Secretary of State for Foreign and Commonwealth Affairs when he last met the High Commissioner of Sri Lanka; and if he will make a statement on the Sri Lankan Government's imposition of emergency regulations on 3 May. [121581]

Mr. Hain: I last met the Sri Lankan High Commissioner on 20 January when he paid a courtesy call on me.

We are concerned by the possible restrictions on civil liberties and press freedoms following the introduction of the regulations by the Sri Lankan Government and hope that they will be lifted as soon as possible. It is not clear how the regulations will be implemented. We shall continue to monitor the situation.

Women Senior Managers

Mr. Baldry: To ask the Secretary of State for Foreign and Commonwealth Affairs how many women there are in his Department in the top three senior management grades; and what these figures were 10 years ago. [121775]

Mr. Hain: As at 1 April 2000 there were eight women at JESP 13 and above, which equates to Grades 1–3, the top three senior management grades.

In 1990, the Department did not record the gender of those in the most senior grades. Figures for 1990 could therefore only be provided at disproportionate cost.

Women Graduates

Mr. Baldry: To ask the Secretary of State for Foreign and Commonwealth Affairs how many women graduates recruited into his Department in 1980 are still serving in his Department. [121715]

Mr. Hain: No women were recruited to the FCO in 1980 through the fast stream competition where candidates are required to have a degree. Women graduates may have been recruited into other grades, but in these cases information on whether or not they had a degree was not systematically recorded as possession of a degree was not a requirement for recruitment in most cases.

Iran

Mr. Clappison: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 8 May 2000, *Official Report*, columns 257–58W, if he raised the issue of legal proceedings concerning members of the Jewish community when he spoke to Iranian Foreign Minister Kharrazi on 28 April regarding the postponement of his visit to Iran; and what factors underlay his decision to postpone the visit. [121674]

Mr. Hain *[holding answer 11 May 2000]:* Further to my answer of 8 May 2000, *Official Report*, columns 257–58W, the Foreign Secretary has raised this issue on a number of occasions with Foreign Minister Kharrazi (including when he visited London in January), and with the Iranian ambassador. He did not discuss it or other foreign policy concerns during his telephone call to Foreign Minister Kharrazi on 29 April which focused exclusively on the postponement of his visit to Iran in the light of the situation in Zimbabwe.

Wine Expenditure

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs how much his Department has spent on *(a)* champagne and *(b)* other wine in each year since 1 May 1997. [121781]

Mr. Hain: The Foreign and Commonwealth Office does not maintain a comprehensive central record of these categories of expenditure. A comprehensive breakdown of expenditure could be provided only at disproportionate cost.

Macedonia

Mr. Key: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance his Department has provided to the British soldier Richard Hudson currently detained in Skopje jail in Macedonia; and if he will make a statement. [121956]

Mr. Hain: At the time of his arrest Mr. Hudson was working as a civilian sub-contractor for KFOR. He is not a member of HM armed forces.

Our consular staff in Macedonia have visited Mr. Hudson regularly since his arrest and will continue to do so during his detention. They have pursued every complaint or rumour of maltreatment, and taken up his case at the highest levels in the Macedonian Government.

Mr. Hudson has made an application for a transfer to a UK prison under the Council of Europe Transfer of Prisoners Agreement. We have passed his application to the UK prison service and to the Minister of Justice in Macedonia. We will continue to press the Macedonian Government for a quick decision.

British Overseas Territories Bill

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 5 May 2000, *Official Report*, column 240W, when he expects to conclude his consideration of the principles to be addressed in the Overseas Territories Bill. [121841]

Mr. Battle: We hope to conclude consideration of the principles to be addressed in the Overseas Territories Bill by the end of May this year.

SOCIAL SECURITY

War Pensions

Mrs. Ann Winterton: To ask the Secretary of State for Social Security how many former service personnel who participated in the nuclear tests programmes in Australia and the South Pacific have been awarded war pensions after they developed *(a)* leukaemia, excluding chronic lymphatic and *(b)* multiple myeloma; when was

the first time that former service personnel were awarded war pensions after developing these illnesses; and if he will make a statement. [121615]

Mr. Bayley: The administration of the War Pensions Agency is a matter for the Chief Executive of the War Pensions Agency, Mr. Gordon Hextall. He will write to the hon. Member.

Letter from Gordon Hextall to Mrs. Ann Winterton, dated 12 May 2000:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many former service personnel who participated in the nuclear tests programmes in Australia and South Pacific have been awarded war pensions after they developed (a) leukaemia, excluding chronic lymphatic and (b) multiple myeloma; when was the first time that former service personnel were awarded war pensions after developing these illnesses; and if he will make a statement.

The War Pensions Agency processes claims for war disablement and war widows' pensions and for associated supplementary allowances. Under the war pensions scheme, awards may be made in respect of any condition which is due to any service in the armed forces.

We do collect statistics of all claims for war pensions from British nuclear test veterans who believe that they might have been exposed during service to excessive radiation. However, these also include claims from personnel who served, for example, on nuclear submarines.

The statistics at 10th May 2000 are as follows:

Leukaemia: 9 cases (5 disablement, 4 widows)

Multiple myeloma: 13 cases (10 disablement, 3 widows)

You will wish to know that the background to these awards is that as a result of concern amongst some test participants about the effects that the participation may have on their health, the Ministry of Defence commissioned an independent study by the National Radiological Protection Board (NRPB) in 1988 to investigate the subsequent health of participants. The study compared the mortality and cancer incidence in over 20,000 test participants with that of a similar-sized control group of ex-servicemen who had not participated in the test programme.

The 1988 NRPB Report and the Department's position

The NRPB Report published in 1988 confirmed that participation in the UK tests has not had a detectable effect on the participants' expectation of life, nor on their risk of developing cancer in general. It did, however, raise a reasonable doubt that leukaemia (other than chronic lymphatic leukaemia) and multiple myeloma might be due to participation. Whilst the NBPB Report did not causally relate leukaemia and multiple myeloma specifically to participation in the nuclear weapons tests, its' evidence was nevertheless accepted as raising a reasonable doubt that leukaemia (other than chronic lymphatic leukaemia) and multiple myeloma may have resulted from such participation. Thus, any claim for war pension in respect of disablement or death due to leukaemia (other than chronic lymphatic leukaemia) and multiple myeloma was likely to succeed. This policy was effective from 28th January 1988.

The 1993 NRPB Report

The study was extended and the second NRPB Report was issued in 1993. This confirmed the overall conclusion of the 1988 Report, that participation in the tests had no detectable effect on the participants' expectation of life, nor on their risk of developing most cancers. It concluded that the small hazard of multiple myeloma suggested by the 1988 Report was not supported by the additional data, although the possibility of some small risk of developing leukaemia (other than chronic lymphatic leukaemia) in the first 25 years after participation could not be ruled out.

As a result of this later Report, it is now the Secretary of State's normal policy to accept any new claim in respect of leukaemia (other than chronic lymphatic leukaemia) if the participant developed the condition within 25 years of his participation in the tests. This change was effective from 11th December 1993. War Pensions already in payment to test participants or their widows in respect of disablement or death due to leukaemia (other than chronic lymphatic leukaemia) or multiple myeloma were not affected by that decision.

Evidence of service-related ionising radiation exposure

Should there be reliable evidence of service-related ionising radiation and where there is a recognised link between the claimed condition and such exposure, an award of war pension will be considered.

The Secretary of State does not accept evidence of participation in the nuclear tests as itself equating to proof of service-related ionising radiation exposure.

If I can be of any further assistance, please do not hesitate to ask.

Mr. Welsh: To ask the Secretary of State for Social Security how many claims for war pensions by British nuclear test veterans have been *(a)* made and *(b)* awarded to date. [121303]

Mr. Bayley: The administration of the War Pensions Agency is a matter for the Chief Executive of the War Pensions Agency, Mr. Gordon Hextall. He will write to the hon. Member.

Letter from Gordon Hextall to Mr. Andrew Welsh, dated 12 May 2000:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many claims for war pension by British nuclear test veterans have been (a) made and (b) awarded to date.

The War Pensions Agency processes claims for war disablement and war widows' pensions, and for associated supplementary allowances. Under the war pensions scheme awards may be made in respect of any condition which is due to any service in the armed forces. Unfortunately, our statistics do not specifically record the number of claims from, and awards to, ex-service personnel whose service included participation in the British nuclear test programme. To obtain that precise information would require a clerical exercise which could only be carried out at disproportionate costs.

However, we do have statistics of claims for war pension from British nuclear test veterans who believe that they might have been exposed during service to excessive ionising radiation, but these include claims from personnel who served, for example, in nuclear submarines.

At 31st March 2000, these statistics record 1,228 claims which resulted in 467 awards, but these are for a miscellany of conditions, some of which have no connection to participation in the test programme.

If I can be of any further assistance, then please do not hesitate to contact me.

TRADE AND INDUSTRY

Maritime Safety

Mr. Bercow: To ask the Secretary of State for Trade and Industry if he will make a statement on the conclusions reached at the Council of Ministers meeting of 28 March on maritime safety; what measures are under discussion involving co-operation with *(a)* defence ministers and *(b)* European defence agencies for future presentation to a European Council meeting concerning a global strategy by the European Union in the Field of Maritime Security; and what is his policy thereon. [119815]

Mr. Hill: I have been asked to reply.

In answer to the first part of his question on maritime safety I refer the hon. Member to my reply given on 30 March 2000, *Official Report*, columns 230–31W. In answer to the second part, my right hon. Friend the

Secretary of State for Defence has not had any discussions concerning a global strategy by the European Union in the field of maritime security.

Export Licences

Mr. Chope: To ask the Secretary of State for Trade and Industry on what date his Department received export licence application number 8664; on what date he expects it to be determined; and if he will make a statement about its progress. [122037]

Dr. Howells: Licence Application 8664 was received by the Export Control Organisation (ECO) on 15 December 1999. The application is currently under consideration in conjunction with other Government Departments. A decision on the licence application will be reached as quickly as possible consistent with the need to give full consideration to the issues involved.

Mr. Llwyd: To ask the Secretary of State for Trade and Industry what proposals he has to ensure that applications for export licences are published in advance, allowing for proper public and parliamentary debate before decisions are made. [121717]

Dr. Howells: The 1998 White Paper on Strategic Export Controls proposed that new primary legislation should provide for parliamentary scrutiny of secondary export control legislation, but the White Paper stated that the Government did not consider there should be advance parliamentary scrutiny of individual export licence applications as this would slow down significantly the process of decision making and raise difficult issues of commercial confidentiality. The Foreign Affairs and Trade and Industry Committees endorsed this conclusion while the Quadripartite Committee on Strategic Export Controls has stated that it will seek to come to conclusions on this issue in its next Report.

All the White Paper proposals are under review in the light of comments received. In coming to conclusions on this issue, the Government will take account also of the conclusions of the Committees, including any conclusions reached by the Quadripartite Committee on this matter. We will be announcing proposals for new export control legislation following conclusion of the review.

Small Firms

Mrs. Curtis-Thomas: To ask the Secretary of State for Trade and Industry what research his Department has *(a)* commissioned and *(b)* evaluated on the way that assistance is given to small firms in the regions. [121662]

Ms Hewitt: The DTI is responsible for many forms of assistance to small firms. All those services are subject to regular evaluation.

At a regional level, business support can be provided in a variety of ways. Some services are provided by the Government Offices in the regions; others are provided by the Regional Development Agencies. But the most important mechanism for providing support for small businesses at the local level in England is the network of Business Link partnerships. These provide their own services, but also access to other forms of support from both the public and private sector. Funding mechanisms also vary and, in relevant areas, EU funding can be a significant source of business support.

It is critically important that the services provided and funded by Government are effective both in terms of content and delivery. The Department therefore asked each Regional Development Agency (and the London Development Partnership) last year to report on the delivery of business support in their region. A number of RDAs supported their reviews with external research. Those reports are now being received and the newly-established Small Business Service will be taking forward the reports with each of the RDAs. In parallel, the Small Business Service is itself restructuring the Business Link network, with the aim of new Business Link partnerships coming into operation from April 2001. The new partnerships will be expected to develop their services within the context both of the RDA regional economic strategies and national priorities established by the SBS.

Enterprise Fund

Mrs. Curtis-Thomas: To ask the Secretary of State for Trade and Industry if he will list the small firms who will directly benefit from the Government's Enterprise Fund *(a)* nationally and *(b)* in the Crosby constituency. [121660]

Ms Hewitt: The main elements of the Enterprise Fund are the Small Firms Loan Guarantee Scheme, the UK High Technology Fund and the Regional Venture Capital Funds.

With regard to the Small Firms Loan Guarantee Scheme, the Government act as guarantor to the lenders in the scheme. The loan is arranged between the lender and the small firm and is subject to commercial confidentiality procedures.

Both venture capital elements of the Enterprise Fund, namely the UK High Technology Fund and Regional Venture Capital Funds are currently being developed. They will be managed by professional fund managers. All their investment decisions will be made on a commercial basis. As an investor in the funds, the Government will not be able to forecast which small businesses will directly benefit.

It is therefore not possible to list, either nationally or for the Crosby constituency, which small firms will directly benefit from the Government's Enterprise Fund.

Partnership Fund

Mrs. Curtis-Thomas: To ask the Secretary of State for Trade and Industry how the Partnership Fund will achieve its aims of fostering new attitudes and approaches to partnership at work; and how much money is to be made available for the Fund. [121663]

Mr. Alan Johnson: The Fund supports projects to develop partnership approaches in the workplace and to disseminate best practice. Up to £5 million is being made available in a series of calls over four years.

Thirty-five projects, having a total value of £2,880,000, are being supported under the first call for proposals of the Partnership Fund. The second call for proposals was launched by my right hon. Friend the Secretary of State for Trade and Industry on 9 May 2000 and the deadline for applications is 21 July 2000.

Shipbuilding

Mr. Sarwar: To ask the Secretary of State for Trade and Industry if he will ensure that Shipbuilding Intervention Fund money will remain available to UK shipbuilders for the remainder of this year. [121470]

Mr. Alan Johnson: I announced on 25 January 2000, *Official Report*, column 199W that I had decided to extend the availability of the Shipbuilding Intervention Fund to 31 December 2000. I am pleased to confirm that that remains the position.

Mr. Sarwar: To ask the Secretary of State for Trade and Industry if he will make a statement on *(a)* perceptions of the effectiveness of the home shipbuilding credit guarantee scheme and *(b)* the plans the Government have to alter the scheme. [121469]

Mr. Alan Johnson: I believe that the scheme has played an important role in helping UK yards win new orders since its inception in the 1960s, and continues to do so. The scheme has supported some 1,200 vessels to the value of more than £4.5 billion. It currently supports UK built ships to the tune of £200 million.

The Department runs the scheme on a comparable basis to similar schemes in our main competitor countries and we believe that its current terms/facilities are competitive. To this end, and in response to recommendations from our partnership with the industry in the Shipbuilding Forum in 1999, we delivered significant improvements to the scheme by making loans available in euros and US dollars, and by making guarantees only facilities available too. This makes the scheme one of the few to offer guarantees only, and to offer finance of up to 12 years.

Following the introduction of these improvements, there is now a high level of inquiry for finance under the scheme involving potential orders for eligible ships at virtually all the UK yards.

In line with our general approach we remain ready to consider constructive suggestions for ways that the scheme might be strengthened in the future.

Mr. Sarwar: To ask the Secretary of State for Trade and Industry if he will make a statement on his Department's support for shipbuilding *(a)* on the River Clyde and *(b)* in the United Kingdom as a whole. [121315]

Mr. Alan Johnson: My Department's strategy is to support and promote all parts of the UK shipbuilding industry equally, irrespective of their location. In particular, the policy is to assist the industry to improve its competitiveness. In July 1998 my Department established the Shipbuilding Forum whose membership comprises representatives of the shipbuilding and ship repair industry, trades unions, equipment suppliers and customers, both private and public sector. Also involved are the National Training Organisation for the marine sector and relevant Government Departments. The Forum's terms of reference are to consider the current situation of the shipbuilding and ship repair industry and how to improve its competitiveness so as to increase its share of the European market, leading to increased output, profitability and employment.

Energy Supplies

Mr. Wyatt: To ask the Secretary of State for Trade and Industry what steps he is taking to penalise gas and electricity companies that take over control of peoples' energy supplies without their consent. [121445]

Mrs. Liddell: The Government take seriously the distress and inconvenience caused by involuntary transfers and has encouraged Ofgem to take firm action with the companies concerned.

It is for the Director General of Gas and Electricity Supply to determine what action should be taken to combat involuntary transfers of energy supply. The Office of Gas and Electricity Markets [Ofgem] is taking steps that will significantly reduce these transfers. Among other things, Ofgem recently renewed the licence condition for gas and electricity suppliers governing sales and marketing practices, and is presently consulting on further enhancements. Ofgem also works closely with individual suppliers to resolve problems that lead to customer complaints.

Radio Frequencies (Mobile Phones)

Mrs. Dunwoody: To ask the Secretary of State for Trade and Industry what consultations Her Majesty's Government have had with the authorities responsible for airport radar systems in respect of the distribution of new frequencies for mobile phones. [121360]

Ms Hewitt: None of the radio frequencies for the licences assigned by the recent third generation mobile communications auction is used by airport radar systems.

A proposal to share frequency bands, including those used by civil airport radar in the UK, for possible future expansion of third generation mobile systems, is to be discussed at the World Radio Conference currently taking place in Istanbul (WRC-2000). The authorities concerned with civil airport radar were fully involved in the UK's preparations for WRC-2000, and ensured that the requirements of safety were taken into account. The agreed European position is that further study is required before any decisions can be taken.

Mrs. Dunwoody: To ask the Secretary of State for Trade and Industry when new licences for mobile phones will be issued; and what effect the distribution of frequencies will have on the optimal use of the spectrum. [121362]

Ms Hewitt: Subject to the provisions of the Wireless Telegraphy (Third Generation Licences) Notice 1999, my right hon. Friend the Secretary of State for Trade and Industry will grant a Wireless Telegraphy Act Licence for Third Generation Mobile Communications within 20 business days of the successful bidder for the licence confirming either that it is not subject to any preconditions or that it is no longer subject to any preconditions. Licences were issued to TIW UMTS UK Ltd. and One 2 One Personal Communications Ltd. on 9 May 2000.

A well designed auction with well informed bidders should ensure that spectrum licences go to those who place the highest value on them and are most likely to make optimal use of the spectrum. In addition, the issue of five licences, including one reserved for a new entrant, should help to ensure that the available spectrum is used effectively by increasing sustainable competition and encouraging the faster roll-out of innovative services.

Rover

Mr. Luff: To ask the Secretary of State for Trade and Industry if he will send copies of the interim report from the Rover Task Force to hon. Members with West Midlands constituencies; and if he will place a copy in the Library. [121134]

Mr. Alan Johnson *[holding answer 8 May 2000]:* May I refer the hon. Member to the answer given by my right hon. Friend the Secretary of State for Trade and Industry to my hon. Friend the Member for Birmingham, Northfield (Mr. Burden) on 5 May 2000, *Official Report*, column 231W.

Radio Spectrum

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry when he expects to receive the money from the sale of the radio spectrum; and if he will make a statement. [121198]

Ms Hewitt: My right hon. Friend the Secretary of State for Trade and Industry expects to receive all of the receipts from the auction of Wireless Telegraph Act licences for Third Generation mobile communications in the current financial year.

Motor Industry

Mrs. Browning: To ask the Secretary of State for Trade and Industry how many businesses there are which conduct retail, after sales and repair of motor vehicles in the United Kingdom; and how many of them employ fewer than 50 people. [121590]

Mr. Byers *[holding answer 11 May 2000]:* In 1999, there were 60,455 businesses in these sectors. 8,435 employed fewer than 50.

Mrs. Browning: To ask the Secretary of State for Trade and Industry if he will list the motor retail franchised dealers *(a)* he and *(b)* his officials have visited in the United Kingdom since July 1999. [121595]

Mr. Byers *[holding answer 11 May 2000]:* My officials are in regular contact with the Retail Motor Industry Federation (RMIF) which also includes the National Franchise Dealers Association.

I met with John Edwards of the Phoenix Consortium, a Rover dealer and a member of the RMIF during the recent contacts over Rover.

Arms Exports

Mr. Llwyd: To ask the Secretary of State for Trade and Industry (1) what recent representations he has received on the controls on licensed production and brokerage of arms for export; and if he will make a statement; [121732]

(2) what initiatives he is pursuing for greater control of licensed production and brokerage of arms for export; and if he will make a statement. [121731]

Dr. Howells: The 1998 White Paper on Strategic Export Controls (Cm 3989) contained proposals to extend controls on trafficking and brokering in several areas, including in respect of the supply of arms and other controlled goods to any country subject to embargo and the supply of equipment the export from the UK of which has been banned because of evidence that goods of the same type have been used in torture. All the White Paper proposals are currently under review in the light of comments received.

As part of this review the Government are also considering the issue of licensed production overseas following the raising of this issue in a number of the responses to the White Paper. However, a licence is already required for the export of any controlled equipment or technology in tangible form needed for an overseas manufacturing facility.

In recent months the Department for Trade and Industry has received representations on the issues of arms brokering and licensed production from Oxfam and Amnesty International's UK Directors, from many individual members of these two organisations and from other members of the public.

The Government will announce proposals for new export control legislation following conclusion of the current review of the White Paper proposals.

Penalty Clause

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry if he will list the contracts entered into with private sector companies for the provision of goods or services since May 1997 where penalty clauses were triggered for non-performance; and if he will make a statement. [122015]

Dr. Howells: Where appropriate, DTI contracts include liquidated damages clauses. Penalty clauses are not legally enforceable. The DTI has a great number of contracts in operation at any one time, the details of which are not held centrally. It would entail disproportionate cost to find out which of these contracts included liquidated damages clauses and which of those clauses had been invoked.

Contracting Out

Mr. Cotter: To ask the Secretary of State for Trade and Industry if he will list the areas within his Department and its agencies where functions have been contracted out, listing *(a)* the cost involved, *(b)* date of contract with expiry term, *(c)* the name of the company and *(d)* the area within the DTI from which the functions have been taken since May 1997. [121619]

Dr. Howells: I will arrange to write to the hon. Member with this information shortly.

HOUSE OF COMMONS

Influenza

Mrs. Virginia Bottomley: To ask the Chairman of the Administration Committee which anti-viral drugs are available to hon. Members and staff at the Palace of Westminster to treat influenza. [121972]

Mrs. Roe: Stocks of a number of common drugs for emergency use are kept in the occupational health consulting room off the Lower Waiting Hall. These include drugs for treating angina, asthma and bacterial infections. These can be issued by the occupational health

doctors, and by certain medically qualified hon. Members. The occupational health service also provides influenza vaccinations for hon. Members and staff in the at-risk groups.

The service does not, however, hold other drugs (including anti-viral influenza drugs) as the House's medical services are not intended to replace normal GP services.

Surveillance Devices

Mr. Baker: To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, how many surveillance devices are in use *(a)* inside and *(b)* outside buildings on the Parliamentary Estate; what is the (i) nature, (ii) location, (iii) purpose and (iv) cost of installing and running each such device; and if he will make a statement. [120773]

Mr. Kirkwood *[holding answer 11 May 2000]:* The outturn for expenditure on security services in 1998–99 for the House of Commons was £13,953,000 as shown in the commission's Twenty-First Annual Report for 1998–99 (HC721); in 1999–2000 the cost was £13,454,174.

It is not the practice to give detailed information of the type asked for by my hon. Friend.

EDUCATION AND EMPLOYMENT

Remploy Ltd.

Mr. Anthony D. Wright: To ask the Secretary of State for Education and Employment if he will make a statement on the findings of the first stage of the quinquennial review of Remploy Ltd. [122343]

Ms Hodge: The Department has now completed the prior options stage of the quinquennial review of Remploy. Copies of the report have been placed in the Library and will be sent to those who contributed to the consultation exercise. The report is also available on the DfEE website (www.dfee.gov.uk).

The review considered a number of options but decided that Remploy's position and NDPB status should remain as it is for now. The next stage of this review will start shortly and will be completed within three months. During this stage the review team will look at the relationship between the Government and the Company to ensure that it operates to the highest standards in line with the commitment set out in the Modernising Government White Paper.

There will be a further review in two years time to assess the impact of Remploy's new Corporate Plan—Remploy 21.

Correspondence

Mr. McLoughlin: To ask the Secretary of State for Education and Employment when he will reply to the letter dated 30 March from the hon. Member for West Derbyshire in relation to the Chairman of the Governors of the Fitzherbert School in Fenny Bentley, Derbyshire. [121450]

Mr. Wills: A reply to the hon. Member was issued on Wednesday 10 May 2000.

Mr. McLoughlin: To ask the Secretary of State for Education and Employment when the hon. Member for West Derbyshire will receive a reply to his letter of 30 March about the William Gilbert School in Duffield, Derbyshire. [121441]

Mr. Wills: A reply to the hon. Member's letter was issued on 8 May 2000.

New Deal

Mr. Cox: To ask the Secretary of State for Education and Employment how many *(a)* men and *(b)* women from ethnic minority communities living in the Greater London area have benefited from the New Deal. [121122]

Ms Jowell: New Deal actively promotes equality of opportunity and outcome for people of all ethnic and racial groups. Targets have been set for all Units of Delivery to achieve parity of outcome on jobs between white and ethnic minority young people, by the end of this Parliament. Latest figures show that to the end of February 2000, in Greater London, 19,157 men and 10,035 women from ethnic minority groups have benefited from starting the New Deal for young people and that 12,198 men and 2,565 women from ethnic minority groups have benefited from starting the national New Deal for long-term unemployed people aged 25 or over. Many others will have benefited from the New Deal for Lone Parents and other New Deals.

Free School Meals

Mr. Cox: To ask the Secretary of State for Education and Employment how many children living in the Greater London area were receiving free school meals on 1 April. [121973]

Ms Estelle Morris: The data are not available in the form requested. Figures on the number of day pupils attending maintained schools[1] in the Greater London Government Office Region who took a free meal in January this year is currently being collected. Latest estimates show that there were 226,000 such pupils, which represents 21 per cent. of the pupil population.

Final national figures will be published in the Statistical Volume "Statistics of Education: Schools in England 2000" in September, a copy of which will be available in the Library.

[1] Includes pupils of all ages attending maintained nursery, primary and secondary schools, pupil referral units and all special schools in the Greater London Government Office Region.

Primary and Secondary Schools (Gloucestershire)

Mr. Nigel Jones: To ask the Secretary of State for Education and Employment how much was spent per pupil in *(a)* Gloucestershire and *(b)* England and Wales, in (i) primary schools and (ii) secondary schools in each of the last ten years for which figures are available. [122005]

Ms Estelle Morris: The following table sets out spending per pupil in Gloucestershire and England, from 1990–91 to 1998–99, the latest year for which expenditure figures are available. The figures are based on Net Institutional Expenditure.

Table 1.

£ per pupil

Net institutional expenditure	*Pre-primary and primary*	*Secondary*
Gloucestershire		
1990–91	1,203	1,912
1991–92	1,379	1,811
1992–93	1,627	2,122
1993–94	1,523	2,084
1994–95	1,555	2,113
1995–96	1,494	2,082
1996–97	1,569	2,133
1997–98	1,664	2,243
1998–99[1]	1,813	2,321
England		
1990–91	1,339	2,019
1991–92	1,469	2,145
1992–93	1,583	2,256
1993–94	1,630	2,245
1994–95	1,661	2,270
1995–96	1,687	2,286
1996–97	1,731	2,340
1997–98	1,739	2,359
1998–99[1]	1,882	2,450

[1] Provisional

The following tables set out the resources being made available in Gloucestershire and England for primary and secondary education as part of the drive to raise standards. These figures are not comparable with the net institutional figures set out in table 1. The special and specific grant totals include the money for schools announced in the Budget on 21 March.

Table 2.

£ per pupil

Standard Spending Assessment	*Primary*	*Secondary*
Gloucestershire		
1998–99	2,081	2,703
1999–2000	2,199	2,816
2000–01	2,282	2,935
England		
1998–99	2,248	2,918
1999–2000	2,372	3,031
2000–01	2,474	3,175

Table 3.

£ per pupil

Special and specific grants	*Primary*	*Secondary*
Gloucestershire		
1998–99	59	49
1999–2000	127	88
2000–01	238	176
England		
1998–99	73	64
1999–2000	140	103
2000–01	250	190

Higher Education (Standardised Testing)

Mr. Boswell: To ask the Secretary of State for Education and Employment what plans he has to encourage higher education institutions to introduce standardised testing for scholastic attainment. [119143]

Mr. Wicks *[holding answer 17 April 2000]:* Admissions procedures are a matter in the first instance for individual higher education institutions.

The Government wish to see a widening of access to higher education, and we share the aspiration of those who promote the use of Scholastic Aptitude Tests (SATs) that higher education should be available to all who can benefit from it. The substantial reform of post-16 qualifications to be introduced from September will help broaden access to university by giving recognition to a wider range of qualifications. In addition, we are investing heavily in raising standards in deprived areas through "Excellence in Cities". This year we shall be launching new summer schools to help young people to understand better the opportunities higher education can offer. New "Opportunity Bursaries" of up to £1,000 per year will also be introduced from next year to give able young people from areas without a history of participation in higher education the extra financial incentives and confidence they need to embark on a higher education course.

The Sutton Trust is running a small pilot of SAT-type tests in schools in England this year.

Although its research is entirely separate from DfEE activities in this area we are happy to work closely with the Trust because its work is focused on widening the socio-economic profile of students in higher education. We have learned from its experience in running summer schools and have adopted much of its best practice in the summer schools we will launch this summer.

Education Funding (Somerset)

Mr. Ashdown: To ask the Secretary of State for Education and Employment (1) what is the average per pupil education standard spending assessment for 2000–01 in *(a)* primary and *(b)* secondary schools in (i) England and (ii) Somerset; what is the reason for the difference between (i) and (ii); and if he will make a statement; [121235]

(2) if he will estimate the additional cash which would be available for education in Somerset if the average per pupil standard spending assessment for primary and secondary schools in Somerset was the same as the average for England; and if he will make a statement. [121221]

Ms Estelle Morris *[holding answer 10 May 2000]:* The following table shows for 2000–01 education SSA per primary and secondary pupil for Somerset and England.

£

SSA	*Somerset*	*England*	*Difference*
Primary per pupil	2,310	2,474	164
Secondary per pupil	2,984	3,175	191

The differences between the figures for England and those for Somerset are a result of the authority receiving a below average share of the national total for education standard spending to reflect social deprivation and area costs. If Somerset's SSA per pupil for primary and secondary schools were the same as the national average it is estimated that its education SSA would be £11 million higher. Since 1997–98 Somerset's education SSA per pupil has increased by £338, and its special and specific grants per pupil have increased by £193.

Somerset will benefit this year from Standards Fund grant of £8.8 million. Its share of the £50 million and £290 million special grants will be £3 million.

DEFENCE

Reserve Forces and Cadets Associations

Mr. Key: To ask the Secretary of State for Defence if he will list the new locations and structures of the Reserve Forces and Cadets Associations; and if he will make a statement. [121939]

Mr. Spellar: Details of the locations of the Reserve Forces' and Cadets' Associations (previously called Territorial Auxiliary and Volunteer Reserve Associations) are as follows:

Council of Reserve Forces' and Cadets; Associations

Duke of York's Headquarters, Chelsea, London SW3 4SG.

Highland Association

Seathwood, 365 Perth Road, Dundee, DD2 1LX

Councils forming the Association: Highland, Moray, Aberdeenshire, City of Aberdeen, Perthshire and Kinross, Angus, City of Dundee, Argull and Bute, stirling, Fife, Falkirk, West Dunbartonshire, East Dunbartonshire, parts of north Lanarkshire and the Islands area of Orkney, Shetland and Western Isles.

Lowland Association

Lowland House, 60 Avenuepark Street, Glasgow G20 8LW

Councils forming the Association: The Scottish borders, Dumfries and Galloway, East Lothian, City of Edinburgh, Midlothian, West Lothian, South Lanarkshire, North Lanarkshire (that formerly comprised of Monklands and Motherwell districts) East Ayrshire, North Ayrshire, South Ayrshire, Renfrewshire, City of Glasgow and that part of Argull and Bute Council comprising the Island of Bute.

North of England Association

53 Old Elvet, Durham DH1 3JJ

Counties forming the Association: Northumberland, Durham, Tyne and Wear and the Boroughs of Hartlepool; Stockton; Middlesborough; Redcar and Cleveland.

Yorkshire and the Humber Association

20 St. George's Place, York Y024 1DS

Counties forming the Association: North Yorkshire, West Yorkshire, South Yorkshire, East Riding of Yorkshire, North Lincolnshire and North East Lincolnshire.

North West of England and Isle of Man Association

Alexandra Court, 28 Alexandra Court, Liverpool L17 8YE

Counties forming the Association: Cheshire, Cumbria, Greater Manchester, Lancashire, Merseyside and the Isle of Man.

Wales Association

Centre Block, Maindy Barracks, Cardiff CF4 3YE.

Counties forming the Association: The Counties of Wales.

West Midland Association

Tennal Grange, Tennal Road, Harborne, Birmingham B32 2HX

Counties forming the Association: Hereford and Worcester, Shropshire, Staffordshire, Warwickshire and West Midland Metropolitan.

East Midlands Association

6 Clifton Terrace, Derby Road, Nottingham NG7 1LZ

Counties forming the Association: Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, Nottinghamshire and Rutland.

Wessex Association

2 Beaufort Road, Clifton, Bristol BS8 2JS

Counties/Unitary Authorities forming the Association: Bristol, Cornwall, Devon, Gloucestershire, Somerset and Wiltshire.

Eastern Wessex Association

30 Carlton Place, Southampton SO15 2DX

Counties forming the Association: Berkshire, Buckinghamshire, Dorset, Hampshire, Isle of Wight, Oxfordshire and Channel Islands.

East Anglia Association

"Springfield Tyrells", 250 Springfield Road, Chelmsford, Essex CM2 6BU

Counties forming the Association: Bedfordshire, Cambridgeshire, Norfolk, Suffolk and those parts of the counties of Essex and Hertfordshire which do not form part of the Greater London Boundaries.

Greater London Association

Duke of York's Headquarters, Chelsea, London SW3 4RY

Area forming the Association: The Association boundaries conform with the Metropolitan Police boundaries and include the City of London, the boundaries of London and Middlesex and parts of Kent, Surrey, Essex and Hertfordshire.

South East Association

Sandling Place, Sandling Lane, Maidstone ME14 2NJ

Counties forming the Association: Kent and Surrey excluding those parts of these Counties within the Metropolitan Police District, East Sussex and West Sussex.

Northern Ireland Association

25 Windsor Park, Belfast BT9 6FR

Counties forming the Association: The six Counties of Ulster.

On 1 September, the Eastern Wessex and South East Associations will amalgamate and reform as the South East Association. The new Association will be based in Aldershot. At the same time, responsibility for reserve forces and cadets in Dorset will pass to the Wessex Association.

Membership of each RFCA is prescribed by means of a Scheme of Association, which is renewable every five years. Details of the Associations' responsibilities are contained in the Reserve Forces' and Cadets' Associations' Regulations, which were laid before the House on 23 March and a copy of the Regulations is available in the Library of the House.

Merlin Operators

Mr. Duncan Smith: To ask the Secretary of State for Defence (1) how many Merlin operators have been accepted into service; [121606]

(2) how many further deliveries of Merlin operators are anticipated during the next *(a)* six months, *(b)* 12 months, *(c)* 18 months and *(d)* 24 months. [121607]

Mr. Spellar *[holding answer 11 May 2000]:* There are two Merlin programmes, namely the Merlin Mk1 Anti-Submarine Warfare Helicopter and the Merlin Mk3 Support Helicopter.

To date 12 Merlin Mk1s have been accepted into service, but no Mk3s.

The following further Merlin deliveries into service are anticipated in the periods in the question (figures are shown cumulatively):

(a) Five Mk1 and seven Mk3 within six months;

(b) 12 Mk1 and 11 Mk3 within 12 months;

(c) 18 Mk1 and 16 Mk3 within 18 months;

(d) 29 Mk1 and 22 Mk3 within 24 months.

Lynx Helicopters

Mr. DuncanSmith: To ask the Secretary of State for Defence how many of the Lynx helicopters that have been grounded due to serious technical faults will be back in service within *(a)* six months, *(b)* 12 months, *(c)* 18 months and *(d)* 24 months. [121602]

Mr. Spellar *[holding answer 11 May 2000]:* A number of steps are already being taken to increase the number of main rotor heads available for our Lynx helicopters, including bringing forward heads unaffected by fatigue problems from other airframes in routine maintenance, and improving repair and overhaul times. These will generate a steady improvement in Lynx availability with full fleet recovery being achieved after the delivery of new rotor heads in 18 months to two years. There are sufficient Lynx helicopters already available to meet all primary operational tasks.

Mr. Duncan Smith: To ask the Secretary of State for Defence how many of the remaining Lynx helicopters have been converted to Mark 8 standard. [121600]

Mr. Spellar *[holding answer 11 May 2000]:* 31 Mark 3 Lynx helicopters have been converted to Mark 8 standard, six are currently undergoing conversion at the Defence Aviation Repair Agency. We are currently examining whether to convert the final 12 Mark 3s as originally planned in light of the remaining fatigue life of the aircraft.

Fisher Patrol Squadron

Mr. Duncan Smith: To ask the Secretary of State for Defence what plans he has to order a new class of ships for the Fisher Patrol Squadron. [121609]

Mr. Spellar *[holding answer 11 May 2000]:* The Department's agreement with the Ministry for Agriculture, Fisheries and Food for the provision of Fishery Protection services is kept under periodic review. As part of the normal planning process, the ordering of replacements for those vessels currently used in the Fishery Protection role will be considered as the vessels reach the end of their lives.

Frigates and Minehunters

Mr. Duncan Smith: To ask the Secretary of State for Defence what the cost per annum is of operating *(a)* Type 23 frigates, *(b)* Type 22 frigates, *(c)* SSNs, *(d)* Hunt Class minehunters and *(e)* Sandown Class minehunters. [121608]

Mr. Spellar *[holding answer 11 May 2000]:* The actual cost per annum of operation *(a)* Type 23 frigates, *(b)* Type 22 frigates, *(c)* SSNs, *(d)* Hunt Class minehunters and *(e)* Sandown Class minehunters will vary considerably dependent on the tasking/maintenance undertaken. Indicative annual costs, including manpower, fuel and stores only, would be in the region of £16 million for a Type 23 and a Type 22 frigate, £11 million for an SSN, £3 million for a Hunt Class minehunter and £2 million for a Sandown Class minehunter.

Aircraft Information Systems

Mr. Duncan Smith: To ask the Secretary of State for Defence (1) what the target dates for the completion of the information systems for Sea Kings are; and if they will be met; [121604]

(2) what the target dates for the completion of the information systems for Sea Harriers are; and if they will be met. [121605]

Mr. Spellar *[holding answer 11 May 2000]:* The Mission System Upgrade for the Sea King Airborne Early Warning helicopters includes the installation of the Joint Tactical Information Distribution System (JTIDS). This programme is on target to meet the predicted in service date of late 2001.

It is expected that all Sea Harriers FA2 aircraft will be equipped with JTIDs by 2005 as planned.

Cluster Bombs

Mr. Cohen: To ask the Secretary of State for Defence if the targets against which cluster bombs were deployed by the Royal Air Force during Operation Allied Force were selected by *(a)* Her Majesty's Government and *(b)* by NATO multilateral targeting arrangements. [121668]

Mr. Spellar: During Operation Allied Force, Royal Air Force Harrier GR7s released cluster weapons (RBL755s) against fixed targets and Yugoslav/Serbian fielded forces. The selection and allocation of fixed targets, and the nomination of aircraft to specific tasks, was the responsibility of NATO's Combined Air Operations Centre at Vicenza in Italy. This selection and tasking process was conducted in close coordination with the UK's air commander in theatre who scrutinised all targets and tasks against national Rules of Engagement and targeting constraints, where appropriate consulting the UK national chain of command.

On the other hand, attacks against fielded forces were normally conducted in response to targets which had been located, identified and allocated by an Airborne Forward Air Control aircraft. In these highly responsive circumstances, the Harrier GR7 pilot was responsible for locating, positively identifying and assessing the validity of the target against clearly defined Rules of Engagement; the pilot was also responsible for selecting the most appropriate number and type of weapon to be released. UK armed forces will always use the weapons judged most appropriate against a given target, taking into account weapon effectiveness and the need to minimise collateral damage.

Mr. Cohen: To ask the Secretary of State for Defence how many BL755 cluster bombs were used in the Falklands Islands by Her Majesty's Armed Forces; how many submunitions from these weapons have been cleared; and what estimates have been made of the number of submunitions remaining. [121667]

Mr. Spellar: I will write to my hon. Friend and a copy of my letter will be placed in the Library of the House.

RAF Fylingdales

Mr. Baker: To ask the Secretary of State for Defence what plans there are for the use of RAF Fylingdales for the National Missile Defense system. [121998]

Mr. Hoon: We have not received a request from the US regarding the use of RAF Fylingdales as part of the NMD system, and nor would we expect any until after a US decision on whether or not to proceed towards deployment of such a system.

Mr. Baker: To ask the Secretary of State for Defence how many American *(a)* civilian and *(b)* military personnel are based at RAF Fylingdales. [121999]

Mr. Spellar: There are nine US civilian contractor employees and one US military officer at RAF Fylingdales.

RAF Feltwell

Mr. Baker: To ask the Secretary of State for Defence what is the operational purpose of RAF Feltwell; and how many *(a)* UK and *(b)* US personnel are stationed there. [121997]

Mr. Spellar: RAF Feltwell is a passive deep space tracking station and part of a worldwide network of sensors tracking man-made objects in deep space. As at 10 May 2000, there were 124 US personnel stationed there in support of this role, and no UK personnel. Feltwell also provides a support function for RAF Lakenheath.

Menwith Hill

Mr. Baker: To ask the Secretary of State for Defence how many *(a)* US military, *(b)* US civilian, *(c)* UK military and *(d)* UK civilian personnel work at Menwith Hill Station. [121780]

Mr. Spellar: As at 26 April 2000, at RAF Menwith Hill there were 415 US military, 989 US civilian, five UK military and 392 UK civilian personnel (excluding GCHQ staff). I am withholding the numbers of GCHQ staff under exemption 1 of the Code of Practice on Access to Government Information.

Mr. Baker: To ask the Secretary of State for Defence what the planned numbers of US military personnel at Menwith Hill Station will be in *(a)* 2000, *(b)* 2003 and *(c)* 2005. [121783]

Mr. Spellar: As at 26 April 2000, there were 415 US military personnel at RAF Menwith Hill. This number is not expected to change significantly in the foreseeable future.

Joint Operations

Mrs. Curtis-Thomas: To ask the Secretary of State for Defence what joint operations or exercises have taken place outside the United Kingdom since 1 March 1999 between British forces and members of the armed forces of states that are not parties to the Ottawa Convention. [122033]

Mr. Spellar: Since 1 March 1999, UK forces have participated in 10 joint operations and 13 joint exercises outside of the UK with armed forces from states that are not parties to the Ottawa Convention. These states are: Azerbaijan, Bahrain, China, Egypt, Estonia, Finland, Georgia, India, Kuwait, Kyrgyztan, Latvia, Libya, Morocco, Nepal, Nigeria, Oman, Pakistan, Republic of Korea, Russia, Saudi Arabia, Singapore, Sri Lanka, Turkey, UAE and USA.

AGRICULTURE, FISHERIES AND FOOD

Sheep Dip

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 17 April 2000, *Official Report*, columns 333–34W, (1) what proportion of the sum attributed to the introduction of a single charge for authorisation for the disposal of used sheep dip will accrue to *(a)* sheep farmers, *(b)* other farmers and *(c)* non-farmers; [120638]

(2) which years the four-year period for the introduction of a single charge for the disposal of sheep dip applies to. [120637]

Mr. Mullin *[holding answer 3 May 2000]:* I have been asked to reply.

The single charge shall apply to the first four years of an initial groundwater authorisation falling in the Environment Agency's "Reduced Application Charge" band, whenever such an authorisation might commence. The Environment Agency's existing records show that some 73 per cent. of the sum attributed to the introduction of this single charge will accrue to sheep farmers, 26 per cent. to other farmers, and 1 per cent. to non-farmers.

TREASURY

Mobile Phone Licences

Dr. Cable: To ask the Chancellor of the Exchequer how much of the receipts from the auction of Third Generation mobile phone licences is in the form of an initial payment in the current financial year. [121028]

Ms Hewitt: I have been asked to reply.

My right hon. Friend the Secretary of State for Trade and Industry expects to receive all of the receipts from the auction of Wireless Telegraphy Act licences for Third Generation mobile communications in the current financial year.

HOME DEPARTMENT

Landmines Act

Mr. Hope: To ask the Secretary of State for the Home Department what responsibility his Department has in respect of the Landmines Act 1998. [122344]

Mr. Charles Clarke: Following discussions between the Departments concerned, the reply given by my right hon. Friend, the Minister of State, Home Office, (Mr. Boateng), on 20 May 1999, *Official Report*, column 443W, requires expansion. The Home Secretary has general ministerial responsibility for enforcement action under the Landmines Act 1998 taken by the police in England and Wales, with parallel responsibilities being

exercised in Northern Ireland by the Secretary of State for Northern Ireland and in Scotland by the Scottish Ministers. Her Majesty's Customs and Excise also have enforcement responsibilities under the Act. In addition, the Foreign Secretary has responsibility for policy on the Ottawa Convention and for co-ordinating any amendments to the Landmines Act which may arise from amendments to the Ottawa Convention. Action may be taken under other provisions of the Act by the Secretaries of State for the Department for International Development, the Ministry of Defence, the Department for Trade and Industry, the Attorney-General and the Attorney-General for Northern Ireland.

Immigration

Mr. Hilary Benn: To ask the Secretary of State for the Home Department how many persons married to United Kingdom citizens have been *(a)* served with deportation orders and *(b)* deported from the United Kingdom in each of the last 10 years. [121742]

Mrs. Roche: The central deportation records do not separately identify spouses of United Kingdom citizens and the information requested could, therefore, be obtained only at disproportionate cost through the examination of individual case files.

Youth Custody Orders

Mr. Field: To ask the Secretary of State for the Home Department how many youth custody orders have been used since their introduction; and how many are in use. [121786]

Mr. Boateng: The detention and training order under the Crime and Disorder Act 1998 was implemented on 1 April 2000. It is the new main custodial sentence for juveniles aged 12 to 17 and replaced the secure training order and detention in a young offender institution for that age group. Because the minimum term of a detention and training order is four months, all the orders which have been made since 1 April remain in force. Information from the Youth Justice Board for England and Wales indicates that on 10 May, 483 detention and training orders were being served.

Asylum Seekers

Miss Widdecombe: To ask the Secretary of State for the Home Department how many asylum seekers have been granted exceptional leave to remain in the United Kingdom under the backlog clearance exercise; and if he will make a statement. [122027]

Mrs. Roche: Since the start of the backlog clearance exercise in late December 1998 up to the end of March 2000, 15,125 initial decisions were made to grant exceptional leave to remain under the backlog criteria set out in the White Paper. We are aiming to clear the backlog of pre-1996 asylum applications by the end of July this year.

Miss Widdecombe: To ask the Secretary of State for the Home Department if he will make a statement on the implementation of the voucher scheme for asylum seekers; what has been the impact on administrative costs of the scheme; and if he will make a statement. [121992]

Mrs. Roche: The National Asylum Support Service commenced the distribution of vouchers on 3 April 2000. From this date, destitute asylum seekers and their dependants have been able to exchange vouchers for cash at designated Post Offices and for goods in over 18,000 affiliated national and independent retail outlets.

As the new voucher scheme has only been in operation since 3 April it is too early to make any meaningful assessment of its impact on central and local government administration costs.

Miss Widdecombe: To ask the Secretary of State for the Home Department when he will bring the new support arrangements for asylum seekers into force for all new asylum applicants. [121995]

Mrs. Roche: The new support arrangements were introduced on 3 April for those seeking asylum at port and extended on 17 April to bring onto the scheme new in-country applicants who make an asylum claim in Kent and those asylum seekers resident in Kent who receive a first decision on their application and then go on to appeal. It is hoped to bring all new asylum applicants onto the new support arrangements within six months.

Miss Widdecombe: To ask the Secretary of State for the Home Department what proportion of asylum seekers were recognised as refugees in the last six months; and if he will make a statement. [121994]

Mrs. Roche: In the period October 1999 to March 2000, of the initial decisions made under normal procedures on applications for asylum to the United Kingdom 7 per cent. were granted refugee status. In addition, 3 per cent. of applications received in the period July 1993 to December 1995 which were decided in the latest six months under the backlog criteria set out in the White Paper were granted refugee status.

Information on asylum can be accessed via the Internet at http://www.homeoffice.gov.uk/rds/index.htm.

Miss Widdecombe: To ask the Secretary of State for the Home Department what provisions govern the legality of selling and buying vouchers issued to asylum seekers under the new support arrangements; what is the maximum penalty; how many persons have been convicted of an offence and what sentences they received; if the vouchers are marked 'non-transferable'; and if he will make a statement. [122000]

Mrs. Roche: There are no specific provisions in the Immigration and Asylum Act 1999 directly covering the sale or purchase of vouchers issued to asylum seekers under the new support arrangements. However, it is made clear on the face of a voucher that it is only for the use of the person named on it. Accordingly, any attempt to obtain cash or goods by a person other than the one named on the voucher could constitute an offence under the Theft Acts or conspiracy to defraud at common law, for which there is a range of maximum sentences. In certain circumstances, the offences of making false or dishonest representations (the maximum penalty for which is seven years imprisonment on conviction on indictment), under Part VI of the Immigration and Asylum Act 1999, may be made out. These latter offences correspond to anti-fraud provisions in social security legislation.

No persons have been convicted of an offence relating to the sale or purchase or other misuse of vouchers provided under the new arrangements.

Any asylum seeker who disposes of their vouchers for cash might be liable to be charged with conspiracy to commit or aiding and abetting the commission of the offences under the Theft Acts or the 1999 Act.

Any asylum seeker receiving support under the national asylum support scheme who obtains cash from whatever source or by whatever means and fails to notify the National Asylum Support Service (NASS) would be liable to have their support suspended or discontinued under regulation 20(1)(a) of the Asylum Support Regulations 2000, as he would be in breach of a condition subject to which the asylum support had been provided (notification of change of circumstances). If they fail to notify the Service dishonestly and with a view to obtaining an advantage for themselves or another, they commit an offence under the 1999 Act which is punishable with a maximum of seven years imprisonment.

The NASS is presently in the process of establishing its intelligence and investigation functions. It is intended that NASS be able to receive complaints of fraud or misuse of its voucher scheme, to investigate these as appropriate, and to take such action as may seem correct in the individual case.

Child Curfew Orders

Miss Widdecombe: To ask the Secretary of State for the Home Department how many local child curfew orders have been issued; and if he will make a statement. [121985]

Mr. Boateng: No applications have been received from local authorities to establish child curfew schemes under section 14 of the Crime and Disorder Act 1998. Following consultation with local authorities and the police, the Government are considering what improvements might be made to the provisions to ensure that they are able to contribute effectively to local partnership efforts to tackle anti-social behaviour.

Global Cultural Diversity Congress

Miss Widdecombe: To ask the Secretary of State for the Home Department what timetable has been set for the review of the cancellation of the Global Cultural Diversity Congress announced on 22 February; if the review is under way; and if he will make a statement. [121991]

Mr. Mike O'Brien: The review is underway and Mr. Gurbux Singh hopes to report to my right hon. Friend the Home Secretary, within a month.

Afghan Airliner Asylum Seekers

Miss Widdecombe: To ask the Secretary of State for the Home Department how many of the persons who arrived in the United Kingdom on the hijacked Afghan airliner *(a)* have claimed asylum, *(b)* have been granted refugee status including as dependants, *(c)* have been granted exceptional leave to remain, *(d)* have had their claims refused, *(e)* have appealed against a refusal of their claim, *(f)* have remained in the United Kingdom, *(g)* have been removed to Afghanistan and *(h)* have been removed to a third country; and if he will make a statement. [121990]

Mr. Straw: Of those persons who arrived on the hijacked Afghan airliner 79 have claimed asylum; eight passengers and six dependants have been granted asylum but no-one has been granted exceptional leave to remain; 37 have been refused asylum, of which five are dependants; all those who were refused have appealed; none have remained in this country without permission; and no-one has yet been removed to Afghanistan or to another third country. However, 81 of those on the aeroplane have now left this country voluntarily. Twelve individuals are the subject of criminal charges in relation to the hijacking.

Consideration of further action will be given as soon as the outcome of the outstanding appeals is known.

Anti-Social Behaviour Orders

Miss Widdecombe: To ask the Secretary of State for the Home Department how many anti-social behaviour orders have been issued against *(a)* persons (i) over and (ii) under the age of 18 and *(b)* persons under the age of 16; and if he will make a statement. [122028]

Mr. Straw: As hon. Friend the Minister of State, Home Office (Mr. Clarke), stated in his reply to the hon. Member for Surrey Heath (Mr. Hawkins) on 21 February 2000, *Official Report*, column 824W, records of the numbers of anti-social behaviour orders issued are not currently held centrally. We understand that about 40 to 45 orders have been made in England and Wales since the relevant provisions of the Crime and Disorder Act 1998 came into force in April last year. We understand that at least 21 were in respect of persons under the age of 18, of which at least 14 were in respect of persons aged under 16.

Crime Fighting Fund

Miss Widdecombe: To ask the Secretary of State for the Home Department when he expects to announce the revised allocation of recruits under the Crime Fighting Fund; what discussions and meetings he has had with police authorities and chief constables about the revised allocation; what representations he has received on this issue; when he first informed police authorities and chief constables that the allocation would be revised to allow the recruitment of 5,000 extra recruits over two years rather than three; and if he will make a statement. [121988]

Mr. Straw: I refer the right hon. Member to the reply I gave her on 6 April 2000, *Official Report*, columns 595–96W.

My officials have consulted police service and police authority representatives on how the recruitment scheme can be accelerated. I have received some representations from hon. Members, chief constables and police authorities about their allocations under the Crime Fighting Fund recruitment scheme. I announced details of the accelerated scheme in a reply to my hon. Friend the Member for Coventry, South (Mr. Cunningham) on 27 March 2000, *Official Report*, columns 1–3W, and I hope to make the promised further announcement shortly.

Recorded Crime

Miss Widdecombe: To ask the Secretary of State for the Home Department what was the change in the level of recorded crime in *(a)* England and Wales and *(b)* each police force area in the year ending 31 March; and if he will make a statement. [121983]

Mr. Boateng: The Statistical Bulletin giving the Recorded Crime Statistics for the year ending 31 March 2000, including the requested details, is due to be published in July.

Institutional Racism

Miss Widdecombe: To ask the Secretary of State for the Home Department what assessment he has made of the extent to which *(a)* his Department and *(b)* other Government Departments, non-departmental public bodies and executive agencies are institutionally racist; what criteria he uses to define institutional racism; and if he will make a statement. [121996]

Mr. Straw: I accepted the definition of institutional racism set out in the Stephen Lawrence Inquiry report as a useful guide in tackling discrimination and inequality within public services.

In the Home Office, we had already identified, through a staff survey, that a significant number of our minority ethnic staff felt that they had experienced prejudice or been denied opportunity. A programme of action was started including targets for recruitment, retention and progression, and the establishment of a minority ethnic network for staff.

The Government are determined that the public sector should lead on race equality. The legislation currently going through Parliament extends direct discrimination provisions to public authorities and includes, for the first time, indirect discrimination and a duty on all public authorities to promote race equality, and will prove a key lever in tackling institutional racism.

The Home Office is working with other Government Departments in developing strategies to inculcate race equality as a core issue. Responsibility for action by individual Departments or organisations rests with them.

Passport Fees

Miss Widdecombe: To ask the Secretary of State for the Home Department what plans he has to increase passport fees to cover the increased cost due to handling charges payable on credit card transactions as payment for passports. [121984]

Mrs. Roche: Savings resulting from the introduction of credit card payment for postal passport applications are likely to offset the costs of handling charges. Therefore, this development is unlikely to result in an increase in passport fees. The savings will result from more efficient processing of passport fee receipts. The facility to pay by credit card will also be more convenient for many passport customers than existing payment methods.

Passport Agency

Miss Widdecombe: To ask the Secretary of State for the Home Department what plans he has to improve the external communications and media handling capabilities of the United Kingdom Passport Agency; and if he will make a statement. [122034]

Mrs. Roche: The United Kingdom Passport Agency has undertaken a thorough audit of its external communications and media handling and has already introduced a number of improvements.

The Agency is undertaking more focused market research, to test new services and determine customer needs.

A 24 hour a day, seven days a week national telephone inquiry line has been established for general inquiries and for customers to check on progress of passport applications, as well as a same-day e-mail inquiry service, faxback service and a regularly updated website.

Passport offices have longer opening hours. The London office now opens at 7.30am Monday to Friday, all offices are open to 6pm, and Saturday opening will start this summer at all offices.

There are stronger links with the travel trade, to get important messages over to their customers.

The Agency is establishing a small team, dedicated to improving communications between the United Kingdom Passport Agency, its customers and the public, and to ensure that the Agency can respond more effectively to the media. The Agency is creating its own press office.

Referendum Campaigns

Miss Widdecombe: To ask the Secretary of State for the Home Department what his policy is on Government activity during referendum campaigns. [121993]

Mr. Mike O'Brien: The Government have maintained, and will maintain, the usual rules on the activities of civil servants during referendum and election periods. In addition, the Political Parties, Elections and Referendums Bill would prohibit the Government from publishing, displaying or distributing material in relation to a referendum in the 28 days immediately prior to the date of the poll. This proposal responds to the report of the Neill Committee and has been welcomed by the Committee.

Home Detention Curfew

Miss Widdecombe: To ask the Secretary of State for the Home Department, pursuant to his answer of 8 May 2000, *Official Report*, column 312W, what period was served by the prisoner convicted of wounding (inflicting grievous bodily harm) and released on the Home Detention Curfew scheme before the end of the requisite period due to an error in sentence calculation *(a)* before release on the Home Detention Curfew scheme and *(b)* subsequently; and if he will make a statement. [122030]

Mr. Boateng: The prisoner convicted of wounding (inflicting grievous bodily harm) and released on the Home Detention Curfew scheme before the end of the requisite period served 215 days before his release on Home Detention Curfew and subsequently served 227 days on his return to lawful custody.

Disorder (Central London)

Miss Widdecombe: To ask the Secretary of State for the Home Department what action was taken by the Metropolitan police regarding the dispersal of the demonstrators from Trafalgar Square and Whitehall on 1 May; to which areas of London they were dispersed; what policing arrangements were made to ensure a peaceful and orderly dispersal; and if he will make a statement. [121989]

Mr. Straw: The Metropolitan police inform me contingency plans were drawn up to deal with possible disorder. The tactic for this event was to contain any disorder followed by a controlled dispersal. This is what took place from Parliament Square, Trafalgar Square and Whitehall. I understand that protesters from Whitehall and Trafalgar Square were released in small numbers throughout the afternoon and evening to make their way home. Some demonstrators from Parliament Square were escorted to Kennington Park, and a small group of demonstrators congregated in the Strand were escorted to Kennington Park. During the controlled dispersals, police monitored their movements throughout.

Miss Widdecombe: To ask the Secretary of State for the Home Department, pursuant to his answers of 8 May 2000, *Official Report*, column 314W, on the disorder in central London on 1 May, what meetings were held prior to 1 May between the Metropolitan police and the Royal Parks Agency regarding the protection of the statues in Parliament Square; who was the most senior Metropolitan police officer present at each such meeting; what advice the Royal Parks Agency received from the Metropolitan police concerning boarding up the statues; who was the most senior Metropolitan police officer who authorised the giving of such advice; and if he will make a statement. [122031]

Mr. Straw: The Metropolitan police inform me that one formal meeting was held with the Royal Parks Agency and several phone calls were made. A member of the central planning team attended the meeting under the directions of the event commander, who on this occasion was Commander Messinger. The available information and intelligence was shared with the Agency.

Miss Widdecombe: To ask the Secretary of State for the Home Department, pursuant to his answers of 8 May 2000, *Official Report*, column 314W, on the disorder in central London on 1 May, what meetings were held prior to 1 May between the Metropolitan police and English Heritage regarding the protection of the Cenotaph; who was the most senior Metropolitan police officer present at each such meeting; what advice English Heritage received from the Metropolitan police about boarding up the Cenotaph; who was the most senior Metropolitan police officer who authorised the giving of such advice; and if he will make a statement. [122032]

Mr. Straw: The Metropolitan police inform me that one formal meeting was held with English Heritage and several phone calls made. A member of the police central planning team attended the meeting under the directions of the event commander, who on this occasion was Commander Messinger. The available information and intelligence was shared with English Heritage.

Prisons

Miss Widdecombe: To ask the Secretary of State for the Home Department if he will make a statement on the Government's prisons policy. [122001]

Mr. Straw: It is the Government's policy that the Prison Service should contribute to the wider aims of the criminal justice system by: protecting the public by holding those committed by the courts in a safe, decent and healthy environment; and reducing crime by providing constructive regimes which address offending behaviour, improve educational and work skills and promote law abiding behaviour in custody and after release.

The Prison Service's priorities for 2000–01 are therefore to maintain security and prevent escapes, to deliver improved regimes, including joint approaches with the Probation Service and to manage the prison population safely. The Service is working to improve healthcare, to build a partnership with the Youth Justice Board, to increase prison capacity and to modernise the Service, which includes improving race relations and information technology.

Jackie Ballard: To ask the Secretary of State for the Home Department if he will commission a full independent evaluation of the methodology of, and conclusions arrived at, in the Comparative Costs of and Performance of Privately and Publicly Operated Prisons 1998–99; what plans he has to issue a qualification of the conclusions arrived at; and if he will make a statement. [121467]

Mr. Boateng: The current methodology was developed by Coopers and Lybrand in 1994–95 and has been updated in subsequent years by Home Office staff. The 1998–99 results show that privately managed prisons cost on average 0 per cent. to 13 per cent. less than comparable publicly managed prisons. The present methodology does not cover prisons which have also been designed, constructed, managed and financed by the private sector (DCMF prisons), three of which have now been fully operational for a year. The Prison Service is therefore commissioning independent consultants to develop a revised methodology which will include DCMF prisons, and an invitation to tender will be issued shortly.

Local Elections

Miss Widdecombe: To ask the Secretary of State for the Home Department what was the turnout in *(a)* the May 2000 local elections and *(b)* each of the previous five local elections for each local authority area which conducted pilot projects of alternative voting procedures under the Representation of the People Act 2000; what alternative procedures were used in each case; what plans he has to extend such alternative procedures to all local elections in England and Wales; and if he will make a statement. [121987]

Mr. Mike O'Brien: Information about turnout in local authority elections for the previous five local elections for each local authority is not held centrally and we would need to obtain this from local authorities and this would be at disproportionate cost.

A list of the local authorities running pilot schemes at the recent local elections was provided in a reply I gave to my hon. Friend, the Member for Stockport (Ms Coffey) on 21 March 2000, *Official Report*, columns 486–87W.

Section 10 of the Representation of the People Act 2000, requires local authorities which ran pilot schemes to produce an evaluation report within three months of the election. No decisions on roll-out can be made until this process has been completed.

Young Offenders

Miss Widdecombe: To ask the Secretary of State for the Home Department what progress has been made to date in halving the time taken from arrest to sentence for persistent young offenders; when he expects it to be achieved; and if he will make a statement. [122036]

Mr. Boateng: In 1996, the average time from arrest to sentence for persistent young offenders was 142 days. The Government are committed to halving this by March 2002. We are making continuing good progress—the national average had fallen to 108 days in 1999.

A copy of the latest figures has been placed in the Library.

Overseas Visitors

Mr. Mudie: To ask the Secretary of State for the Home Department whether 1 October will be the commencement date for appeal rights for visitor visa refusals. [121713]

Mrs. Roche: We plan that family visitors who have been refused entry clearance will be able to appeal against the refusal from 2 October 2000.

Prohibited Weapons

Mr. Welsh: To ask the Secretary of State for the Home Department how many prohibited weapons are held by private individuals in England by permission of the Secretary of State. [119870]

Mr. Charles Clarke *[pursuant to the reply, 20 April 2000, c. 595W]:* The final paragraph of that reply should have read as follows:

There are only eight private individuals in England authorised by the Secretary of State to possess a total of 1,337 prohibited weapons. The vast majority of these are held by one person in one of the most comprehensive private collections of historic firearms in the world. The remaining firearms are held by two people who provide highly specialised firearms training to units of the United Kingdom armed forces; a forensic firearms expert; a lecturer and technical consultant; the owner of a private museum; a professional trapper of dangerous animals who is called in by the police to deal with such animals as escaped big cats; and a researcher into ballistics.

INDEX TO THE

PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 349**

SESSION 1999–2000

2nd May—12th May 2000

Printed indexes to Hansard

The volume index is one of three printed indexes to Commons Hansard produced from the House of Commons Library's Parliamentary On-Line Indexing Service (POLIS). It contains references to material in the bound volumes of Hansard. The other indexes produced are:

- The fortnightly index to Hansard. This covers the same date range as the volume index but references are to the column numbering in the daily parts and weekly edition of Hansard.
- The sessional index to Hansard. This contains references to material in the bound volumes for a whole session.

Indexes on the Parliamentary website

Fortnightly, volume and sessional indexes covering material from the beginning of the 1999/2000 session will also appear on the Parliamentary website at http://www.parliament.uk with links to the full text of Hansard.

SCOPE

The indexes include entries covering:

- The content of all material recorded in Hansard, including debates, procedural motions and questions.
- The names of all Members contributing to the Parliamentary business recorded in Hansard.
- The names of some types of Parliamentary business whenever they occur in Hansard. These are 'Ministerial statements', 'Business statements', 'Opposition days' and 'Estimates days'.

ARRANGEMENT

- All headings are in one word-by-word alphabetical sequence, with Members' contribution entries distinguished from other entries by italics.
- Where a Member contributes to Parliamentary business and is the subject of Parliamentary business there are separate contribution and subject entries, the subject entry coming first.
- Entries beginning 'Mac' and 'Mc' are sorted in one sequence as 'Mac'.
- 'St', when abbreviated for Saint, is filed as 'Saint'.
- Numbers are filed as if spelt out, e.g. '10 Downing Street' as if 'Ten Downing Street'.

HEADINGS

Choice of headings

- *Specificity*—Entries summarise the overall content of a debate or question as specifically as the various POLIS thesauruses allow. For example, Education, Higher education, Universities or the name of a particular university is used depending on the breadth of the item.
- *Name headings*—Specific entries are included for the names of people, places, institutions, organisations, committees, programmes, initiatives, publications and legislation when these constitute the overall subject of an item.
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Geographical coverage

- *Subject headings*—Subject headings are assumed to refer to the whole of England, Great Britain or the United Kingdom unless otherwise stated.
- *Scotland, Northern Ireland and Wales*—Material relating to the whole of Scotland, Northern Ireland and Wales is indexed under these headings.
- *Places within the UK*—Material about specific towns, areas and institutions is entered under the name of the specific town, area or institution.
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Parliamentary material and business

- *Material about Parliament*—This is indexed under 'Parliament', the names of the two Houses, the 'Palace of Westminster' and parts of the Parliamentary estate (such as 'Portcullis House').
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- *Legislation*—Entries for Parliamentary proceedings on bills and statutory instruments are entered under their titles. Where the lead word of the bill or statutory instrument does not provide a full or clear indication of the subject there are additional subject entries when the bill or instrument is debated. For example, debates on the 'Child Support Pensions and Social Security Bill' have entries under 'Pensions' and 'Social security benefits' as well as under the title of the Bill.
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- *Speaker and Chair*—Contributions by the Speaker and deputies are brought together under the heading 'Speaker and deputies'. Contributions from the chair during Committees of the Whole House are brought together under 'Chairman of Committee of the Whole House'. Significant rulings and statements (as opposed to routine comments) are indicated by the sub-heading 'Rulings and statements' in both cases.

Guidance on headings

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REFERENCES

- References in the indexes are to columns rather than pages.
- References to debates, but not questions, are accompanied by the date of the item.
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  - References consisting of a number by itself indicate material taken on the floor of the House.
  - References ending in 'wh' indicate Westminster Hall sittings.
  - References ending in 'w' indicate written questions.
- References under all headings except the names of Members contributing to Parliamentary business and the titles of legislation are listed in one numerical sequence irrespective of whether the material is taken on the floor of the House, is discussed at a Westminster Hall sitting or is a written question.
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  - *Debates etc.* (which includes interventions and points of order as well as significant contributions to debates);
  - *Sittings in Westminster Hall* (covering all debates held as part of the Westminster Hall sittings); and
  - *Questions* (which includes written, oral and private notice questions).

ABBREVIATIONS

The following abbreviations are used in connection with the progress of bills:

- 1R=First reading
- 2R=Second reading
- Com=Committee stage
- Rep=Report stage
- 3R=Third reading
- res=resolution
- amendt(s)=amendment(s)
- *=matter taken formally without debate or division.

Parliamentary background

- The Parliamentary website at http://www.parliament.uk contains a range of information about Parliament and the full text of some Parliamentary papers and proceedings including Hansard.
- Information on current Parliamentary business is provided in the House of Commons Information Office *Weekly Information Bulletin*, available on the website and from The Stationery Office (020 7873 8499).
- Further information on Parliamentary proceedings and procedures is available from the House of Commons Information Office (020 7219 4272).

"Access to Workers During Recognition and Derecognition Ballots Draft Code of Practice"
(11.05.00) 1110

Accidents
Air pollution 373w
Chinook helicopters 112w
Foden Thompson Carmichael MWD 13w
Motorways 227w

Administration of justice
Young offenders 523w

Adoption
43w

Advertising
Cabinet Office 86w

Advisory Council on the Misuse of Drugs
Police Foundation 297w

Advisory services
Smoking 335–7w

Aerials
Planning permission 107w

Aerosols
274w

Afghanistan
Hijacking 517–8w
Refugees 517–8w

Africa
Droughts 81w

Agriculture
see also Farmers
Climate change levy 251w, 427–8w
Diversification 248w
Finance 246w
Information technology 243w
Waste disposal 141–2w, 243w

Agriculture development scheme
Finance 243–4w

AIDS
Institutional care 177w

Ainger, Mr Nick
Questions
New deal for disabled people 193w

Ainsworth, Mr Peter
Questions
Immigration, Applications 434w
Millennium Exhibition 487
Millennium Exhibition, Corporate hospitality 379w
National Lottery 482–3
Wembley Stadium 17w, 494

Air ambulance services
East Midlands 50w

Air conditioning
Chlorofluorocarbons 338–9w
NHS 338–9w

Air force
Manpower 113w

Air pollution
Accidents 373w
Gas fired power stations 237w

Air routes
102w, 360w
Regional airports 361w
USA 359w, 372–3w

Air traffic
266w

Air traffic control
266–8w
EC countries 484w
Scotland 143–4

Air traffic control*—*continued
Training 266w

Aircraft
Exhaust emissions 358–9w
Safety 202w

Airport tax
Highlands of Scotland 148w

Alcoholism
North East region 223w

Aldershot
Military bases 390w

Alexander, Mr Douglas
Questions
Carers, Scotland 409w
Minimum wage 21w
ONE programme 414w
ONE programme, Females 479–80w

Allan, Mr Richard
Questions
House of Commons, Telephone services 215w
New deal schemes, Finance 179–80w

Allen, Mr Graham*, *Vice Chamberlain of Her Majesty's Household
Debates etc.
Finance Bill, Com (03.05.00) 221

Alternative energy
(02.05.00) 37–40, 137–8w, 443–4w

Amess, Mr David
Sittings in Westminster Hall
Tourism, Southend (09.05.00) 187–91wh
Questions
NHS, Public appointments 43w
Post offices 994–5

Anderson, Mr Donald
Debates etc.
Defence (04.05.00) 321, 326–7, 345, 347–54
Sierra Leone (08.05.00) 521–2
Zimbabwe (03.05.00) 153
Questions
Criminal Records Bureau, Business plans 223w
KFOR, Costs 14w

Anderson, Janet*, *Parliamentary Under-Secretary of State, Dept for Culture Media and Sport
Sittings in Westminster Hall
Tourism, Southend (09.05.00) 191–3wh
Questions
Arts 316w
Digital broadcasting 19w
Digital broadcasting, Social rented housing 211w
Film 317–8w
Film, India 484
Hotels, Inspections 19w
Millennium Exhibition 486–7
Millennium Exhibition, Corporate hospitality 379w
Television, Licensing 20w, 318w
Tourism, Coastal areas 494–5
Tourism, Sustainable development 483–4

Animal breeding
Horses 107w
Sheep 96–7w

Animal experiments
77–8w, 300w, 434–5w
Cosmetics 78w
Defence Evaluation and Research Agency 12w
Disclosure of information 210w
Tobacco 152w

Animal feed
Genetically modified organisms 49w

Annuities
214w

Antiaircraft missiles
Type 45 destroyers 9–10w

Antidepressants
Overdoses 325w

Antisocial behaviour orders
518w

Appointments Commission
Public appointments 181–2w

Apprenticeships
see Modern apprenticeships

Archer of Weston-Super-Mare, Lord
155w

Armed conflict
Kosovo 512w
Sierra Leone 488w
Sudan 73w

Armed forces
Catering 264w, 390w
Divorce 263–4w
Housing 449–50w
Manpower 10w

Arms trade
Channel Islands 280w
Democratic Republic of Congo 138w
Developing countries 135–6
Export controls 25w, 130–1w, 503–4w
India 73w
Iraq 121w
Macau 73–4w
Zimbabwe 493–4w

Armstrong, Rt Hon Hilary*, *Minister of State for Local Government and Housing, Dept of the Environment Transport and the Regions
Questions
Education, Per capita costs 389w
Non-domestic rates 643–4
Regional development agencies 357–8w
Regional development agencies, Finance 482–3w
Sleeping rough 630–2
Standard spending assessments 638–9
Tees barrage 437w

Army Criminal Legal Aid Authority
Administrative delays 262–3w

Arthritis
337–8w

Arts
316w
Educational visits 490–1
National Lottery 18w
Schools 317w

Ashdown, Rt Hon Paddy
Questions
Education, Per capita costs 389w, 508–9w
General certificate of secondary education, Standards 395–6w
Police, Somerset 405w
Secondary education, Somerset 393–5w
Waterloo-Exeter railway line 388–9w

Ashford Hospital
(02.05.00) 37–44wh

Aspartame
Health hazards 56–7w

Assisted areas
Bolton 283w
Burnley (08.05.00) 620–6
Disclosure of information 284w

***Assisted areas**—continued*
North East region 237w
Scotland 378–9w

Association of British Insurers
478w

Asthma
Medical equipment 326w
Research 462–3w

Asylum
see Refugees

Atherton, Ms Candy
Questions
Liquefied petroleum gas 399w

Athletics
229–30w
Correspondence 211w
Grants 452w
Shropshire 452w, 486w
Sportsgrounds 16w, 18w

Atkins, Charlotte
Questions
Business questions 1013
Hazardous materials, Imports 103w

Atkinson, Mr Peter
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 782–3, 794, 808–9
Transport Bill, Rep and 3R (10.05.00) 848–9, 882–3

Atomic Weapons Establishment
8w

Audio equipment
Metropolitan Police 154w

Austin, Mr John
Questions
Health visitors, Greater London 54w
Incontinence, Health services 406–7w
Nurses, Consultants 55w
Nurses, Older workers 52–3w
Primary care groups, Public appointments 51–2w

Automated credit transfer
Social security benefits 276–7w

Aviation
443w
Prime Minister 493w

Back to work bonus scheme
380w

Badgers
see Bovine tuberculosis

Badminton Association of England
451w

Baker, Norman
Questions
Alternative energy 443–4w
Animal experiments 434–5w
Aspartame, Health hazards 56–7w
Bovine tuberculosis 322w, 377w
Bovine tuberculosis, Disease control 376w
Cetaceans, Nature conservation 139–40w
Convention on International Trade in Endangered Species 103w
Defence Evaluation and Research Agency, Animal experiments 12w
Diplomatic service, Official cars 68w
Empty property, Council tax 644
House of Commons, Procurement 391w
Insurance, Gender 468w
Lewes 419w
National security 200w
Parliament, Security 505w
Pets, Cremation 201w

***Baker, Norman**—continued*
Portcullis House, Contracts 221w
RAF Feltwell 513w
RAF Fylingdales 513w
RAF Menwith Hill 513w
Toxicology, Training 177w
Tuberculosis 322w
Wines, Foreign and Commonwealth Office 496w
Zoos, Environmental health 103–4w

Baldry, Mr Tony
Debates etc.
Common agricultural policy (11.05.00) 1029, 1063, 1073–4, 1081–5
Rover Group (09.05.00) 653
Questions
Beacon councils 635
Higher civil servants, Foreign and Commonwealth Office 495w

Balkans
Peace keeping operations 13w

Ballard, Jackie
Questions
Biodiversity 101w
Carers, Social security benefits 213–4w
Lowdham Grange Prison 436w
Prisons, Operating costs 522w
Probation orders 156w

Bank services
Rural areas 84w

Barnes, Mr Harry
Debates etc.
Northern Ireland government (08.05.00) 507
Questions
Business questions 1010–1
Insurance, Motor vehicles 427w
Macau, Arms trade 73–4w
Public appointments, Northern Ireland 373w
Small businesses 1004

Barron, Mr Kevin
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 403, 412, 419–20, 456, 469
Questions
Smoking, Advisory services 336–7w

***Battle, Mr John**, Minister of State, Foreign and Commonwealth Office*
Questions
British dependent territories, British citizenship 240w, 496w
Indonesia, Security 453w
Japan, State visits 241w
Macau, Arms trade 73–4w
Peru, Religious freedom 241w
Republic of Ireland, Official residences 239–40w

***Bayley, Mr Hugh**, Parliamentary Under-Secretary of State, Dept of Social Security*
Questions
Carers, Social security benefits 213–4w
Children, Poverty 124w
Disability living allowance 414w
Income support, Lone parents 413–4w
Income support, Mortgages 417–9w
Income support, Parental leave 276w
Pensioners, Income 213w, 278–9w
Vaccination, Compensation 123w
War pensions, Radiation exposure 496–8w

Beacon councils
635–6

Beard, Mr Nigel
Debates etc.
Finance Bill, Com (02.05.00) 42, 50, 68, (03.05.00) 169, 175–6, 186, 189, 191–2, 201, 226, 241–2, 244–6
Sittings in Westminster Hall
Engineering (11.05.00) 277–82wh
Questions
Malaria 128–9w

***Beckett, Rt Hon Margaret**, President of the Council and Leader of the House of Commons*
Questions
Business, Departmental coordination 433w
Business statements 293–301, 1009–23

Beef
Imports 64w

Beekeeping
Genetically modified organisms 386w, 459w

Begg, Miss Anne
Questions
Small businesses, Equal opportunities 443w

Beggs, Mr Roy
Questions
Northern Ireland Office 239w

Beith, Rt Hon A J
Questions
Alcoholism, North East region 223w
Assisted areas, Disclosure of information 284w
Coal, Government assistance 339w
Heart diseases, Correspondence 57w
National parks authorities, Correspondence 229w

Belgium
Fisheries 376–7w

Bell, Mr Martin
Questions
Chinook helicopters 14w
Chinook helicopters, Accidents 12w
Prisoners of war, Compensation 143

***Bell, Mr Stuart**, Second Church Estates Commissioner*
Questions
Church Commissioners, Investment 290w
Church of England, Operating costs 290w
Churches, Charitable donations 498–500
Churches, VAT 101w, 289w
Clergy, Conditions of employment 290w
Hunting 495–6
Redundant churches, Sales 498

Bellwin scheme
Worcester 104–5w

Benn, Mr Hilary
Questions
Cannabis 152–3w
Deportation 515w
Higher education, Access 392w
Medical laboratory scientific officers, Pay 14
New deal for communities 633
Refugees, Social security benefits 296w
Secondary education, Standards 352–3w

Bennett, Mr Andrew F
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 399, 404
Questions
Industrial health and safety, Complaints 264–5w

Bercow, Mr John
Debates etc.
Common agricultural policy (11.05.00) 1051–2, 1056
Defence (04.05.00) 314, 322
Finance Bill, Com (02.05.00) 43, 47, 53–4, 57–8, 61, (03.05.00) 170–3, 185, 194–5, 199, 201–2, 208, 210–1
Transport Bill, Rep and 3R (10.05.00) 843, 846, 850, 852–4, 856, 876–9, 881
Zimbabwe (03.05.00) 162
Questions
Audit, Public bodies 496–7
Business questions 299–300, 1022
Charter of Fundamental Rights (EU) 65w
China, Human rights 494–5w
EC law, Fines 120w
European Police Office, Organised crime 331w
Gold and foreign exchange reserves 425w
Health services, Private sector 4–5
Lorries 642
Lorry drivers, Compensation 370–1w
New deal for 50 plus 282
Packaging, Waste disposal 1006
Rover Group, Longbridge 441w
Schengen Agreement 331–2w
Shipping, Safety 498–9w
Spoliation Advisory Panel 492
Television, Licensing 20w
UK membership of EC 1w, 452–3w
UK membership of EC, Exhibitions 64–5w
UK membership of EC, Questionnaires 67–8w
Working families tax credit 830–1

Beresford, Sir Paul
Questions
Home improvement agencies, Contracts 481w

Bermingham, Mr Gerald
Debates etc.
Finance Bill, Com (03.05.00) 195, 201, 203–6

Berry, Mr Roger
Questions
Arms trade, Channel Islands 280w
Arms trade, Export controls 25w, 130–1w

Biodiversity
101w

Birds of prey
387–8w

Blackman, Mrs Liz
Debates etc.
Finance Bill, Com (02.05.00) 54, 59
Questions
Primary health care 44–5w

Blaenau Gwent
Redundancy 836

***Blair, Rt Hon Tony**, Prime Minister, First Lord of the Treasury and Minister for the Civil Service*
Questions
Air traffic control, Scotland 143–4
Appointments Commission, Public appointments 181–2w
Aviation, Prime Minister 493w
By-elections, Romsey 833–5
Council tax, Kent 837
Demonstrations, Greater London 139
Departmental coordination 295w
Disadvantaged 493w
Exchange rates 144
Exeter City Council, Standards 145
Gold and foreign exchange reserves 143
Hughes, Colin 147–8

***Blair, Rt Hon Tony**—continued*
Labour Liberal Democrats Joint Consultative Committee 16w
Lewes 419w
Local government, Elections 140–1
Local government, Reading 835
Manufacturing industries 831–3
Mayor of London 296w
Mayor of London, Elections 142, 145–6
Mining, Pensions 142–3
Ministerial policy advisors 181w
NHS, Finance 144–5
Official engagements, Prime Minister 109w, 420w
Pensioners, Income support 141–2, 833
Performance and Innovation Unit 109–10w
Performance and Innovation Unit, Post offices 492w
Personnel, Prime Minister 112w
Police, Manpower 836
Police, Pay 146
Post offices, Rural areas 492w
Prisoners of war, Compensation 111w, 143
Redundancy, Blaenau Gwent 836
Refugees 141, 837–8
Refugees, Expenditure 145
Refugees, Government departments 493w
Road traffic, Greater London 836
Rover Group 146–7
Rover Group, Longbridge 138–9, 838
Sellafield 295w
Serbia, Sanctions 111w
Shipbuilding 835
Social Exclusion Unit 110–1w, 419w
Terrorism, Northern Ireland 831
Trials 838–40
Unemployment, Glasgow 146
United Nations, Peace keeping operations 835–6
"Winning the Generation Game" 16w
Working families tax credit 830–1
Yugoslavia, Uranium 295–6w
Zimbabwe 138

Blears, Ms Hazel
Questions
Disadvantaged 829

Blizzard, Mr Bob
Questions
Extracurricular activities 184w
North Sea oil 441w
Planning, Rural areas 627–8
Post offices 997–8
Sports, Eastern region 317w

***Blunkett, Rt Hon David**, Secretary of State for Education and Employment*
Questions
Higher education, Access 392w
Modern apprenticeships 282–3
New deal schemes, Finance 179–80w
Social security benefits, Eligibility 198w
Sure start programme 287–9
Teachers, Pay 277–8
Teachers, Recruitment 277–9

Blunt, Mr Crispin
Debates etc.
Demonstrations, Greater London (02.05.00) 30
Sierra Leone (08.05.00) 528
Questions
Democratic Republic of Congo, Mining 257w
NHS, Finance 12

***Boateng, Rt Hon Paul**, Minister of State, Home Office*
Questions
Crime 519w
Detention and training orders 515w

***Boateng, Rt Hon Paul**—continued*
Home detention curfews 74–5w, 311–2w, 520w
Life imprisonment 403w
Local child curfew schemes 517w
Long Lartin Prison, Prison sentences 153w
Lowdham Grange Prison 436w
Magistrates' courts, Closures 332w
Mother and baby units 157–8w
Prison accommodation, Disabled 157w
Prison sentences 154w
Prisoners 297–8w
Prisoners, Maternity pay 158w
Prisoners, Pay 210w
Prisoners' release, Health 311w
Prisons, Discipline 204–9w
Prisons, Employment 301–9w
Prisons, National vocational qualifications 309w
Prisons, Operating costs 522w
Prisons, Visits 209w
Probation orders 156w
Raja, Abdul Qayyum 153–4w
Secure training orders 299w
Young offenders, Administration of justice 523w
Young offenders, Custodial treatment 297w

Body, Sir Richard
Questions
Bovine spongiform encephalopathy 245w
Bovine spongiform encephalopathy, Research 375–6w
Livestock, Exports 97w

Bolton
Assisted areas 283w

Bomb disposal
Falkland Islands 512w

Bombings
Iraq 74w

Borrow, Mr David
Questions
Aviation 443w
Drugs, Lancashire 430–1w

Boswell, Mr Tim
Sittings in Westminster Hall
School leaving, Voluntary work (10.05.00) 234–7wh
Questions
Arthritis 337–8w
Disabled, Human rights 357w
Educational institutions 351w
Further education 279–80, 347–8w
Further education, Mergers 392–3w
Higher education, Access 307–8w
Higher education, Disabled 391w
Higher education, Student numbers 352w
Hospitals, Waiting lists 43w
Hughes, Colin 147–8
Individual learning accounts 357w
Special education, Assessments 90w

Bottomley, Rt Hon Virginia
Questions
Parliament, Health services 504–5w

Bovine spongiform encephalopathy
245w
Disease control 96w, 140–1w, 244–5w
Research 99w, 375–6w

Bovine tuberculosis
322w, 377w
Disease control 243w, 376w

Bowel cancer
164w, 319w

BP Amoco
China 488w

BP Amoco*—*continued
Sudan 29w, 285w

Bradley, Mr Peter
Sittings in Westminster Hall
Hadley pylon (09.05.00) 194–8wh
Questions
Health services, Shropshire 161–3w

Bradshaw, Mr Ben
Questions
Electricity, Prices 438w
Exeter City Council, Standards 145
Overseas aid, Expenditure 126–7w
Road works 636–7

Brady, Mr Graham
Debates etc.
Members, Points of order (10.05.00) 841
Zimbabwe (03.05.00) 161
Questions
Business questions 1018–9
NHS, Public appointments 57w
Post offices 997
Zimbabwe, Politics and government 257w

Brake, Mr Tom
Sittings in Westminster Hall
Mental health services, Sutton (03.05.00) 95–8wh, 100wh
Questions
Lavender 98w
London Underground, Standards 483–4w
Manufacturing industries, Trade competitiveness 440w

Brand, Dr Peter
Sittings in Westminster Hall
Cosmetic surgery (10.05.00) 209–13wh, 219wh
Questions
Clinical trials, Staffordshire 337w
Speech therapy 53–5w

Brands Hatch
Forests (09.05.00) 179–86wh

Brazier, Mr Julian
Debates etc.
Zimbabwe (03.05.00) 159
Questions
National Lottery 317w

Breast cancer
Nottingham City Hospital 16–7

Breed, Mr Colin
Debates etc.
Common agricultural policy (11.05.00) 1064–70
Sittings in Westminster Hall
Crime, Rural areas (09.05.00) 170–3wh
Sports (04.05.00) 142–4wh
Questions
Common agricultural policy 99w
Dobwalls bypass 358w
Offices, Ministry of Agriculture Fisheries and Food 139–40w
Research, Ministry of Agriculture Fisheries and Food 98–9w
Rural development plans 140w
School milk 163w
Tuberculosis 321w
Tuberculosis, Vaccination 168w, 321w

Bridges
Isle of Sheppey (03.05.00) 104–12wh

Brinton, Mrs Helen
Questions
NHS 45w
Speed limits 371w
Waste management 3w

British citizenship
British dependent territories 240w, 496w

British dependent territories
British citizenship 240w, 496w

British Nuclear Fuels
Fines 233w
Industrial health and safety 342w
Parliamentary questions 66w, 132–3w
Public appointments 132–3w, 342w
Quality control 133w

British Petroleum Amoco
see BP Amoco

Bromley
Mental health services 47w

Brooke, Rt Hon Peter
Debates etc.
Demonstrations, Greater London (02.05.00) 28
Northern Ireland government (08.05.00) 510
Sittings in Westminster Hall
School leaving, Voluntary work (10.05.00) 227–30wh
Questions
Business questions 1018
Police, Pay 146
Self-employed, Tax avoidance 439w

Brown, Rt Hon Nicholas, Minister of Agriculture, Fisheries and Food
Debates etc.
Common agricultural policy (11.05.00) 1024–37, 1039–44, 1046, 1052, 1056, 1101
Questions
Agriculture, Diversification 248w
Agriculture, Finance 246w
Agriculture, Information technology 243w
Agriculture, Waste disposal 243w
Agriculture development scheme, Finance 243–4w
Bovine spongiform encephalopathy, Disease control 244–5w
Bovine tuberculosis, Disease control 243w
Cattle, Subsidies 242w
Central Science Laboratory, Standards 145–6w
Centre for Environment Fisheries and Aquaculture Science, Standards 146w
Correspondence, Ministry of Agriculture Fisheries and Food 100w
Dairy farming, Subsidies 243w
Farm waste grant scheme 245–6w
Farming and Rural Conservation Agency, Standards 143–4w
Farms, Council tax 242–3w
Hill farming 248w
Hill livestock allowances 249w
Integrated pollution control 247–8w
Lantra, Training 243–4w
Members, Correspondence 100w
Millennium Exhibition, Ministry of Agriculture Fisheries and Food 454w
Organic food, Fruit 246–7w
Pesticides Safety Directorate, Standards 144–5w
Pigs 248w
Research, Ministry of Agriculture Fisheries and Food 247w
Rural areas, Mental health 246w
Rural development plans 242w
Veterinary Laboratories Agency, Standards 145w
Veterinary Medicines Directorate, Standards 142–3w

Brown, Mr Russell
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 430
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1132, 1164–6
Questions
Drug action teams 432w
Ethiopia, Overseas aid 125w
NATO 453w
Northern Ireland Social Security Agency, Standards 492w
Tax avoidance, Self-employed 468w

Browne, Mr Desmond
Questions
Developing countries, Arms trade 136

Browning, Mrs Angela
Debates etc.
Rover Group (09.05.00) 646–7
Sittings in Westminster Hall
Social services, Devon (02.05.00) 24–5wh
Questions
Cars, Manufacturing industries 446w, 993–4
Cars, Retail trade 445–6w, 503w
Orders and regulations 341w
Part-time employment, EC law 341–2w
Public safety radio communications project 330w, 404–5w
Self-assessment of tax, Internet 426–7w
Small Business Council 342w
Small businesses 1003–4
Small businesses, Kent 990
Temporary employment, EC law 342w
Working families tax credit 425w

Bruce, Mr Ian
Debates etc.
Election offences, Points of order (03.05.00) 163–4
Zimbabwe (03.05.00) 160
Questions
Business questions 1019
Road works 636
Seasonal workers 1002
Tourism, Coastal areas 495

Bruce, Mr Malcolm
Debates etc.
Finance Bill, Com (03.05.00) 205, 214

BSE
see Bovine spongiform encephalopathy

Buck, Ms Karen
Questions
Drug rehabilitation centres 20
Stop and search, Greater London 153w

Bull bars
369w

Burden, Mr Richard
Questions
Longbridge Task Force 231w
Rover Group, Longbridge 138–9, 838
Vaccination 168–9w

Bureaucracy
Schools 186–7w

Burglary
Sentencing 404w

Burgon, Mr Colin
Questions
Convention on International Trade in Endangered Species 363–7w
National Institute for Clinical Excellence 45w

Burma
Non-governmental organisations 129w

Burnett, Mr John
Debates etc.
Finance Bill, Com (03.05.00) 170–1
Questions
Shipbuilding 445

Burnley
Assisted areas (08.05.00) 620–6

Burns, Mr Simon
Questions
Housing, South East region 358w
Post offices 438–9w
Vacancies, Chelmsford 294w

Burstow, Mr Paul
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 406, 414, 436, 442–4, 446, 449–50, 458, 466–7
Transport Bill, Rep and 3R (10.05.00) 902–3
Sittings in Westminster Hall
Mental health services, Sutton (03.05.00) 98–9wh, 101wh
Questions
Business questions 1015–6
Elderly 827
Home care services, Standards 17–8
Long-Term Care Royal Commission 46w
Railway stations, Cheam 359w

Buses
Safety belts 3–4w

Business
Departmental coordination 433w
Regulation 442w

Business interests
Parades Commission 457w

Business motions
(02.05.00) 120

Business plans
Criminal Records Bureau 223w
United Kingdom Passport Agency 223w

Business statements
293–301, 1009–23

Butler, Mrs Christine
Questions
Patients' rights 42w

By-elections
Romsey 833–5

***Byers, Rt Hon Stephen**, Secretary of State for Trade and Industry*
Debates etc.
Rover Group, Ministerial statements (09.05.00) 645–57
Questions
Cars, Manufacturing industries 235w, 446w, 992–4
Cars, Retail trade 445–6w, 503w
Chief Scientific Adviser 445w
Civil servants, Dept of Trade and Industry 136w, 1000
Coal, Government assistance 236w, 339w
Council for Science and Technology, Public appointments 24–5w
EC grants and loans, Manufacturing industries 237–8w
Ford Motor Company 234–5w
Gas fired power stations 136w
Government assistance, Cars 444w
Longbridge Task Force 231w
Lucas Varity 238w
Milk, Marketing 28–9w
Newspaper press, Dept of Trade and Industry 183w
Orders and regulations 341w
Part-time employment, EC law 341–2w

***Byers, Rt Hon Stephen**—continued*
Regional selective assistance 236w, 999–1001
Rover Group 138w, 183w, 231–3w
Rover Group, Longbridge 232w
Small Business Council 342w
Small businesses, Finance 234w
Temporary employment, EC law 342w

Cabinet Joint Consultative Committee
see Labour Liberal Democrats Joint Consultative Committee

Cabinet Office
Advertising 86w
Buildings 85w
Civil servants 86–8w
Electronic government 158–61w
Higher civil servants 85–6w
Information officers 314w
Internet 82w
Ministerial policy advisors 315w
Proof of identity 82w
Standards 85w

Cable, Mr Vincent
Debates etc.
Finance Bill, Com (03.05.00) 209–10
Rover Group (09.05.00) 648
Questions
Career structure, Dept of Trade and Industry 339w
Cellular phones, Licensing 514w
Community Hospitals Group 446w
Construction, Standards 104w
Convention on Combating Bribery of Foreign Public Officials 398w
Developing countries, Arms trade 135–6w
Electronic surveillance, Internet 310w
Exchange rates 473–4w
Future large aircraft 283w
Hospitals, Hygiene 42w, 460w
Information technology, Community development 26–7w
Information technology, Disabled 25–6w
Insurance, Regulation 32w
Insurance companies 468–9w
Refugees, Expenditure 145
Regional selective assistance 999–1000
Schools, Finance 89–90w
Schools, Information technology 92w
Special education, Information technology 91–2w
Stakeholder pensions 381w
Tax allowances, Companies 334–5w
Territorial Army, Correspondence 390w

***Caborn, Rt Hon Richard**, Minister for Trade, Dept of Trade and Industry*
Debates etc.
Assisted areas, Burnley (08.05.00) 623–6
Questions
Assisted areas, Bolton 283w
Assisted areas, Disclosure of information 284w
Assisted areas, North East region 237w
BP Amoco, Sudan 29w, 285w
Convention on Combating Bribery of Foreign Public Officials 398w
Export credit guarantees 442w
Foreign investment in UK 446w
Ilisu dam 27w, 284–5w
Oil, Sudan 29w
Overseas trade, India 241–2w
Regional selective assistance 27–8w
Trade competitiveness, West Midlands 280–1w

Campbell, Mrs Anne
Questions
National Endowment for Science Technology and the Arts 319w

Campbell, Rt Hon Menzies
Debates etc.
Defence (04.05.00) 302, 304, 339–48, 384
Sierra Leone (08.05.00) 522
Zimbabwe (03.05.00) 154
Questions
Pitcairn Islands, Overseas aid 401w

Campbell, Mr Ronnie
Questions
Government departments, Modernisation 429–30w
Manufacturing industries, Northumberland 991–2

Campbell-Savours, Mr Dale
Debates etc.
Demonstrations, Greater London (02.05.00) 28
Finance Bill, Com (02.05.00) 47, 51, 55–7, 65–8, 82, (03.05.00) 184, 186, 189, 192, 207, 265
Questions
Business questions 296
Disability Discrimination Act 1995 220–1w

Cancer
30w
Diagnosis (10.05.00) 982–90
Drugs 163–4w
Health services 13, 463–6w
Medical treatments 164w

Cannabis
152–3w, 406w

Capita Group
Companies House 25w, 398–9w

Capital receipts initiative
Worcester 104w

Caplin, Mr Ivor
Sittings in Westminster Hall
Sports (04.05.00) 114wh, 120wh, 123wh, 125wh
Questions
Social security benefits, Eligibility 198w

Cardiff
Employment tribunals 28w

Cardiff Airport
(02.05.00) 121–8

Career structure
Dept of Trade and Industry 339w

Carers
Scotland 409w
Social security benefits 213–4w

Carers and Disabled Children Bill 1999/2000
Debates etc.
Rep and 3R (05.05.00) 397–471

Cars
Community nurses 50w
Government assistance 444w
Manufacturing industries 235w, 282w, 444w, 446w, 992–4
Retail trade 445–6w, 503w

Casale, Mr Roger
Debates etc.
Finance Bill, Com (02.05.00) 52, 79
Questions
Commission for Health Improvement 42w
Kosovo 134–5
Kosovo, Construction 1006–7
Learning and skills councils, Greater London 292

Cash, Mr William
Debates etc.
Common agricultural policy (11.05.00) 1053, 1058
Transport Bill, Programme motion and Rep (09.05.00) 732–3, 737, 741–3, 746
Questions
Developing countries, Debts 132
Stock Exchange, Deutsche Borse 476w

Catering
Armed forces 264w, 390w
Regulation 88–9w

Caton, Mr Martin
Questions
Genetically modified organisms, Beekeeping 386w, 459w
Ombudsman, Public sector 432w
Proof of identity, Cabinet Office 82w
Proof of identity, Dept for Culture Media and Sport 20w
Proof of identity, Dept for Education and Employment 197w
Proof of identity, Dept for International Development 82w
Proof of identity, Dept of Health 55w
Proof of identity, Dept of Social Security 38–9w
Proof of identity, Dept of the Environment Transport and the Regions 2w
Proof of identity, Dept of Trade and Industry 131w
Proof of identity, Foreign and Commonwealth Office 199–200w
Proof of identity, Home Office 296w
Proof of identity, Ministry of Defence 112w
Proof of identity, Northern Ireland Office 287–8w
Proof of identity, Scottish Office 401–2w
Proof of identity, Treasury 214w
Waste management, Licensing 367–9w

Cattle
Subsidies 242w

Cellular phone masts
see Aerials

Cellular phones
Licensing 502–3w, 514w
Radio frequencies 502w

Censorship
Iran 258w

Census
262w

Central Science Laboratory
Standards 145–6w

Centre for Environment Fisheries and Aquaculture Science
Standards 146w

Centre for Management and Policy Studies
84–5w

Cerebral palsy
Medical treatments 48w

Cervical cancer
Screening 491w

Cetaceans
Nature conservation 139–40w

Chairman of Committee of the Whole House
Debates etc.
Amendments and new clauses (02.05.00) 41

Chairman of Committee of the Whole House—continued
Conduct of proceedings (02.05.00) 50, 52, 63, 68, 86, (03.05.00) 177, 185, 202, 225–6
Points of order (03.05.00) 184, 205

Challenger tanks
Kosovo 201w

Chancellor of the Exchequer
see Treasury

Channel Islands
Arms trade 280w

Channel tunnel railway line
Refugees 202–3w

Chapman, Mr Ben
Questions
Clergy, Conditions of employment 290w
Gamma hydroxybutyrate 405w
Medical treatments 46w
Museums and galleries, Fees and charges 450–1w
Overseas aid 130w
Sports, Schools 317w
Sure start programme 188–9w

Chapman, Sir Sydney
Debates etc.
Demonstrations, Greater London (02.05.00) 34
Sittings in Westminster Hall
Cyprus (02.05.00) 4–5wh
Questions
Air routes 360w
Churches, Charitable donations 498–500
Horn of Africa, Overseas aid 126w
Medical laboratory scientific officers, Pay 14–5
National Lottery 482
NHS, Finance 42w
Parliament, Employment agencies 215–6w

Charitable donations
Churches 498–500

Charter of Fundamental Rights (EU)
65w

Chaytor, Mr David
Sittings in Westminster Hall
Nuclear Non Proliferation Treaty (03.05.00) 66–71wh, 75wh
Questions
Business questions 1016–7
Sellafield, Quality control 131–2w

Cheam
Railway stations 359w

Chelmsford
Vacancies 294w

Chemical and biological warfare
114w

Chester
Courts 285–6w

Chidgey, Mr David
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 677–8
Sittings in Westminster Hall
Engineering (11.05.00) 286–9wh
Questions
Community hospitals, Closures 43w

Chief Scientific Adviser
445w

Child benefit
277–8w

Child care tax credit
422w

Child psychiatrists
Recruitment 62–3w

Child Support Agency
Computers 253–4w
Lancashire 253w
Manpower 253w
Operating costs 36–7w

Children
Employment 124w
Israel 68w
Maintenance 35–7w
Poverty 124w, 381w, 424w

Children's Fund
Wales 335w

Children's Rights Commissioner Bill 1999/2000
Debates etc.
1R (03.05.00) 164–6

China
BP Amoco 488w
Human rights 494–5w
State visits 331w

Chinook helicopters
14w
Accidents 112w

Chlorofluorocarbons
Air conditioning 338–9w

Chope, Mr Christopher
Questions
Departmental coordination 295w
Exports, Licensing 499w

Church Commissioners
Investment 290w

Church of England
Operating costs 290w

Churches
Charitable donations 498–500
VAT 101w, 289w

Circumcision
Females 320–1w

City of Durham
Industrial diseases 138w

City of London (Ward Elections) Bill 1998/99
Debates etc.
Order for further consideration read (03.05.00) 129, (10.05.00) 823

City of Newcastle upon Tyne Bill (HL) 1998/99
Debates etc.
3R order read (02.05.00) 1, (09.05.00) 627

Civic dignitaries
Wales 383–4w

Civil servants
Cabinet Office 86–8w
Dept of Social Security 37w
Dept of Trade and Industry 136w, 182–3w, 1000
Ethnic groups 823–4
Ministry of Defence 14w

Civil service
Codes of practice 314w
Location 14w
Sick leave 433–4w

Clapham, Mr Michael
Debates etc.
Finance Bill, Com (02.05.00) 70, 91, (03.05.00) 183–4
Questions
Coal, Government assistance 400w

Clappison, Mr James
Questions
AIDS, Institutional care 177w
Business, Regulation 442w
Class sizes 344–5w
Cricket 489
Drugs, Crime 405–6w
Ethnic minority achievement grant 344w
Further education, Student numbers 347–8w
GCE A level 348–9w
Gifted children, Mathematics 350w
Grant maintained schools, Finance 197–8w
Greenbelt 359w
Housing, South East region 630
Illegal immigrants 310–1w
Iran, Trials 258w
Iran, Visits abroad 257–8w, 495–6w
Schools, Information technology 284–5
Schools, Manpower 92–3w
Sixth form education, Expenditure 217w
Teachers, Computers 344w

Clark, Dr Michael
Debates etc.
Demonstrations, Greater London (02.05.00) 32
Sittings in Westminster Hall
Engineering (11.05.00) 265–8wh, 274wh

Clark, Mr Paul
Questions
Regional planning and development, South East region 361w

***Clarke, Mr Charles**, Minister of State, Home Office*
Debates etc.
Crimestoppers (09.05.00) 815, 818–22
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 534, 551–6, 569–74, 582, 587–9, 596–600, 608–10, 613–5
Sittings in Westminster Hall
Crime, Rural areas (09.05.00) 175–8wh
Police, Manpower (03.05.00) 61–5wh
Police, Norfolk (02.05.00) 32–6wh
Questions
Advisory Council on the Misuse of Drugs, Police Foundation 297w
Archer of Weston-Super-Mare, Lord 155w
Burglary, Sentencing 404w
Cannabis 152–3w, 406w
Community service orders 435w
Crimes of violence, Gwent 311w
Crimes of violence, Sentencing 404w
Criminal Justice (Mode of Trial) (No 2) Bill 1999/2000 436w
Criminal Records Bureau, Business plans 223w
Criminal Records Bureau, Fees and charges 300w
Domestic violence 402w
Drugs, Abuse 403w
Drugs, Crime 154–5w, 405–6w
Electronic surveillance, Internet 310w
Emergency services, Pensions 435w
Euro 2000, Safety 312w
European Police Office, Organised crime 331w
Firearms 524w
Gamma hydroxybutyrate 405w
Landmines Act 1998 514–5w
Magistrates' courts, Closures 309–10w
Metropolitan Police, Audio equipment 154w
Norvic Clinic, Restraint techniques 78w
Police, Helicopters 312–3w
Police, Manpower 297w, 435w
Police, Somerset 405w
Probation orders 156w
Public order offences, Sentencing 403–4w

***Clarke, Mr Charles**—continued*
Public safety radio communications project 330w, 404–5w
Race relations, Greater London 402–3w
Special constables, Ethnic groups 156w
State visits, China 331w
Stop and search, Greater London 153w
Young offenders, Homicide 298w

Clarke, Mr Eric
Questions
Mining, Pensions 142–3

Clarke, Mr Tony
Debates etc.
Transport Bill, Rep and 3R (10.05.00) 846, 857
Questions
Dental services, Northamptonshire 458–9w
Vaccination, Compensation 123w

Class sizes
344–5w
Primary education 189–90w, 285–6
Worcester 292–3w

Clergy
Conditions of employment 290w

Clifton-Brown, Mr Geoffrey
Questions
Audit, Public finance 496–7
Local government finance 361–2w
Wembley Stadium 492

Climate change levy
148–9w, 260w, 1004–5
Agriculture 251w, 427–8w
Fisheries 251w
Horticulture 33–4w
Local government 34w
Regulatory impact assessments 34w

Clinical psychologists
Recruitment 62–3w

Clinical trials
464w
Staffordshire 337w

Clothing
Pupils 352w

Clwyd, Ann
Debates etc.
Zimbabwe (03.05.00) 156
Sittings in Westminster Hall
Cosmetic surgery (10.05.00) 201–9wh

Coaker Mr Vernon
Debates etc.
Demonstrations, Greater London (02.05.00) 34–5
Questions
Annuities 214w
Business questions 300
Community development 360w
Inner city areas, Grants 3w
Nottingham City Hospital, Breast cancer 16–7
Pre-school education, Finance 91w
Pre-school education, Inner city areas 90–1w
Retirement Income Working Party 39w
State earnings related pension scheme, Compensation 39–40w
Sure start programme 178w, 288
Winter fuel payments 412–3w

Coal
EC countries 340w
Government assistance 236w, 339–41w, 400w

Coastal areas
National Lottery 316w
Tourism 494–5

Cohen, Mr Harry
Debates etc.
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 594–5, 612
Questions
Disclosure of information, Dept for Education and Employment 217w
Disclosure of information, Dept of Health 221w
Disclosure of information, Foreign and Commonwealth Office 63w
Disclosure of information, Ministry of Agriculture, Fisheries and Food 252w
Disclosure of information, Ministry of Defence 12w
Disclosure of information, Northern Ireland Office 15w
Disclosure of information, Office of the Secretary of State for Wales 80–1w
Falkland Islands, Bomb disposal 512w
Flynn, Errol, Public records 76–7w
Kosovo, Armed conflict 512w
Personal records, Dept of Health 47w, 321w

Coleman, Mr Iain
Questions
MMR vaccine, Research 172w
Refugees, Greater London 173–5w

Collins, Mr Tim
Debates etc.
Common agricultural policy (11.05.00) 1034

Colman, Mr Tony
Debates etc.
Crimestoppers (09.05.00) 816–7
Sittings in Westminster Hall
Nuclear Non Proliferation Treaty (03.05.00) 71–3wh
Questions
Adoption 43w
Aircraft, Exhaust emissions 358–9w
Digital broadcasting, Social rented housing 211w

Commission for Health Improvement
42w

Commission for the Protection of the Marine Environment of the North-East Atlantic
see OSPAR Commission

Committee for Proprietary Medicinal Products
338w

Committee on Safety of Medicines
338w

Committees
Dept of Social Security 39w

Common agricultural policy
99w, (11.05.00) 1024–109

Commonwealth Development Corporation
129–30w

Community development
360w
Information technology 26–7w

Community health services
44w

Community hospitals
Closures 43w

Community Hospitals Group
446w

Community Legal Service
477w

Community nurses
Cars 50w

Community service orders
435w

Companies
Drugs 57w
North West region 230w
Tax allowances 334–5w
Tax yields 425w
VAT 230w

Companies House
Capita Group 25w, 398–9w

Competition
Local government services 447w
Milk 284w

Competition Act 1998
Questions
447w

Comptroller and Auditor General
see National Audit Office

Computer viruses
Electronic government 830

Computers
Child Support Agency 253–4w
Dept of Social Security 478–9w
Hospitals 177w
Teachers 344w

Conditions of employment
Clergy 290w
Fire services 223w
Northern Ireland Fire Brigade (10.05.00) 242–7wh
Teachers 186w, 218w

Connarty, Mr Michael
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 688, 693, 702–4
Questions
Information technology, Disadvantaged 185w

Connexions Service
196w

Conservation
Energy 2w

Consultants
Hospitals 410w
Ministry of Agriculture Fisheries and Food 455–7w
National Air Traffic Services 265w
Nurses 55w

Consumers
Protection 1002–3

Contact orders
Domestic violence 41w, 48w

Contracts
Dept of Trade and Industry 504w
EC law 467–8w
Home improvement agencies 481w
Portcullis House 221w

Contracts for services
Dept of Trade and Industry 504w

Control of Hedgerows in Residential Areas Bill 1999/2000
Debates etc.
2R order read (12.05.00) 1183

Convention on Combating Bribery of Foreign Public Officials
398w

Convention on International Trade in Endangered Species
103w, 363–7w

***Cook, Rt Hon Robin**, Secretary of State for Foreign and Commonwealth Affairs*
Debates etc.
Sierra Leone, Ministerial statements (08.05.00) 518–29
Zimbabwe, Ministerial statements (03.05.00) 149–62
Questions
Disclosure of information, Foreign and Commonwealth Office 64w
Telecommunications, Foreign and Commonwealth Office 391w
Zimbabwe, Arms trade 493–4w

***Cooper, Ms Yvette**, Minister for Public Health, Dept of Health*
Sittings in Westminster Hall
Symphysis pubis dysfunction (03.05.00) 91–4wh
Questions
AIDS, Institutional care 177w
Asthma, Research 462–3w
Bovine tuberculosis 322w
Bowel cancer 164w, 319w
Cancer, Drugs 163–4w
Cancer, Health services 13, 463–6w
Cancer, Medical treatments 164w
Cervical cancer, Screening 491w
Circumcision, Females 320–1w
Creutzfeldt-Jakob dementia, Health services 463w
Defibrillators 462w
Diseases, Research 461–2w
Drug rehabilitation centres 20
Drugs, Labelling 169w
Dystonia, Research 172–3w
General Osteopathic Council, Public appointments 460–1w
Health services, Shropshire 161–3w
Heart diseases, Surgery 174w
HIV infection 170w
Hospital beds, Worcestershire 44w
Hospitals, Computers 177w
In vitro fertilisation 10–1
Influenza, Vaccination 170w
MMR vaccine, Research 172w
Nottingham City Hospital, Breast cancer 16–7
Osteoporosis 164–5w
Prostate cancer, Research 171–2w
Prostate cancer, Screening 458w
Prostate cancer, Waiting lists 171w
School milk 163w
Smoking, Advisory services 335–7w
Squalene 175w
Sure start programme 178w, 188–9w
Synthetic fibres, Health hazards 168w
Teenage pregnancy 165–6w
Toxicology, Training 177w
Tuberculosis 166–7w, 321–2w
Tuberculosis, Health services 166–7w
Tuberculosis, Vaccination 166–8w, 321w
Vaccination 168–9w

Corbett, Mr Robin
Debates etc.
Rover Group (09.05.00) 652
Questions
Iran, Censorship 258w

Corbyn, Mr Jeremy
Debates etc.
Northern Ireland government (08.05.00) 514
Sittings in Westminster Hall
Cyprus (02.05.00) 13–4wh
Nuclear Non Proliferation Treaty (03.05.00) 73–7wh
Questions
Redundant churches, Sales 498

Cormack, Sir Patrick
Questions
Business questions 1022–3

Coroners
80w

Corporate Homicide Bill 1999/2000
Debates etc.
2R order read (05.05.00) 472

Corporate hospitality
Government contracts 25w
Millennium Exhibition 379w

Corus
285w

Cosmetic surgery
(10.05.00) 201–20wh

Cosmetics
Animal experiments 78w

Cotter, Mr Brian
Questions
Contracts for services, Dept of Trade and Industry 504w

Council for Science and Technology
443w
Public appointments 24–5w

Council of Ministers
69–71w

Council tax
Empty property 644
Farms 242–3w
Kent 837
Rural areas 639–41

County Court Fees (Amendment No 2) Order 2000
Debates etc.
(02.05.00) 120

Court Service
Standards 478w

Courts
Chester 285–6w

Cousins, Mr Jim
Questions
Assisted areas, North East region 237w

Cox, Mr Tom
Sittings in Westminster Hall
Cyprus (02.05.00) 1–4wh
Questions
FA Cup Final 315w
Free school meals, Greater London 506w
Health education, Drugs 294w
Intervention stocks 98w
Kosovo, Mines 129w
Minimum wage 339w
New deal schemes, Greater London 506w
Post offices, Greater London 24w
Race relations, Greater London 402–3w
Refugees 155–6w
Special constables, Ethnic groups 156w
Teachers, Recruitment 277

***Cranston, Mr Ross**, Solicitor-General*
Questions
UK membership of EC 1w

Cremation
Pets 6–7w, 201w

Creutzfeldt-Jakob dementia
Health services 463w

Cricket
489–90
Work permits 349–50w

Crime
519w

Crime—continued
Drugs 154–5w, 405–6w
Rural areas (09.05.00) 157–78wh

Crimes against property
Sentencing 403–4w

Crimes of violence
Gwent 311w
Sentencing 404w

Crimestoppers
(09.05.00) 815–22

Criminal Justice and Court Services Bill 1999/2000
Questions
79–80w

Criminal Justice (Mode of Trial) (No 2) Bill 1999/2000
Debates etc.
Order relating to Com (12.05.00) 1184
Questions
436w

Criminal Records Bureau
Business plans 223w
Fees and charges 300w

Crops
Genetically modified organisms 212w, 249w, 436w

Croydon
Trams 371w

Cryer, Mrs Ann
Questions
Adoption 43w

Cryer, Mr John
Questions
Business questions 1016

Cultural heritage
Wales 81w

Cumbria
Education 89w

Cummings, Mr John
Questions
Industrial diseases, Compensation 138w, 339–40w

Cunningham, Rt Hon Dr Jack
Questions
British Nuclear Fuels, Public appointments 342w
Demonstrations 223–4w
Education, Cumbria 89w

Cunningham, Mr Jim
Questions
Beacon councils 635
Football 318w
Ordnance Survey, Standards 202w

Curriculum
Numeracy 194–5w

Curry, Rt Hon David
Debates etc.
Common agricultural policy (11.05.00) 1055–61
Questions
Institutional care, Costs 56w

Curtis-Thomas, Ms Claire
Questions
Cancer, Health services 463–6w
Clinical trials 464w
Joint exercises 513–4w
Partnership Fund 500w
Post offices 184w
Small businesses, Finance 499–500w
Social security benefits, Automated credit transfer 276–7w

Curtis-Thomas, Ms Claire—continued
Special education, Closures 353–4w

Custodial treatment
Young offenders 297w

Cyprus
(02.05.00) 1–19wh

Dagenham
Ford Motor Company 831–3, 992–3

Dairy farming
Subsidies 243w

Dalyell, Mr Tam
Debates etc.
Balkans, Points of order (02.05.00) 36
Defence (04.05.00) 307–9, 324, 343, 347, 371–2, 376
Sierra Leone (08.05.00) 523
Transport Bill, Programme motion and Rep (09.05.00) 683, 687, 699, 714, 734
Questions
Business questions 295
Community Legal Service 477w
Drugs, Labelling 169w
Forth rail bridge 373w, 379–80w
Higher education, Finance 290
Iraq, Sanctions 240–1w
Iraq, Water supply 128w
Osteoporosis 16
Sanctions 258w
Serbia, Sanctions 111w
Yugoslavia, Uranium 295–6w

***Darling, Rt Hon Alistair**, Secretary of State for Social Security*
Questions
Association of British Insurers 478w
Stakeholder pensions 478w

Darvill, Mr Keith
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1180–1
Questions
Business questions 1012
Standard spending assessments 638–9

Davey, Mr Edward
Debates etc.
Finance Bill, Com (02.05.00) 57–63, 67, 74, (03.05.00) 167–73, 175, 178, 187–8, 191–6, 205, 224, 239–44
Questions
Pre-school education 290–1w

Davey, Mrs Valerie
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 787
Questions
Iraq, Arms trade 121w
Schools, Information technology 285

Davidson, Mr Ian
Debates etc.
Defence (04.05.00) 304–5, 317–8, 332
Questions
National Lottery 487w
Unemployment, Glasgow 146

Davies, Mr Geraint
Debates etc.
Finance Bill, Com (03.05.00) 176–7, 184
Transport Bill, Programme motion and Rep (09.05.00) 692–4, 699
Transport Bill, Rep and 3R (10.05.00) 859, 869–72
Questions
Public libraries, Standards 487w

Davies, Mr Quentin
Debates etc.
Defence (04.05.00) 306, 315, 340, 352, 383
Finance Bill, Com (03.05.00) 193, 233, 244, 251–5
Questions
Air force, Manpower 113w
Armed forces, Divorce 263–4w
Hercules aircraft, Low flying 221w
Kosovo, Challenger tanks 201w

Dawson, Mr Hilton
Debates etc.
Children's Rights Commissioner Bill, 1R (03.05.00) 164–6
Common agricultural policy (11.05.00) 1033, 1098–9
Questions
Planning, Rural areas 628

Dean, Mrs Janet
Questions
NHS, Working hours 55w

Death
Forsythe, Clifford (02.05.00) 1

Death rate
Dystonia 46–7w
Medical laboratory scientific officers 62w

Debts
Developing countries 125w, 131–4

Deeside
Information technology 81w

Defence
(04.05.00) 302–86

Defence Clothing and Textiles Agency
119–20w

Defence Diversification Agency
Technology transfer 448w

Defence equipment
Procurement 118w
Transport 116w

Defence Evaluation and Research Agency
10–2w
Animal experiments 12w

Defibrillators
462w

Democratic Republic of Congo
Arms trade 138w
Mining 257w

Demonstrations
223–4w
Greater London 139, 313–4w, 521w
Ministerial statements (02.05.00) 21–35

***Denham, Rt Hon John**, Minister of State, Dept of Health*
Debates etc.
Cancer, Diagnosis (10.05.00) 985–90
Questions
Arthritis 337–8w
Clinical psychologists, Recruitment 62–3w
Clinical trials, Staffordshire 337w
Commission for Health Improvement 42w
Community hospitals, Closures 43w
Diabetes, Health services 460w
Harefield Hospital 42w
Health, Statistics 46w
Hospitals, Consultants 410w
Hospitals, Hygiene 42w, 460w
Hospitals, Waiting lists 43w, 45w, 63w
Medical laboratory scientific officers, Death rate 62w
Medical laboratory scientific officers, Pay 14–5, 61–2w

***Denham, Rt Hon John**—continued*
Medical laboratory scientific officers, Training 61w
Medical treatments 46w
Mental health services, Primary care groups 51w
Midwives, Pay 325w
National Institute for Clinical Excellence 45w
Neurology, Medical treatments 408w
NHS, Administration 459w
NHS, Finance 42w, 58–60w
NHS, Pay 408w
NHS, Private finance initiative 212w
NHS, Recruitment 62w
NHS, Working hours 55w
NHS trusts, Greater London 326w
Nurses 7–8
Nurses, Income 323w
Nurses, Pay 326–7w
Nurses, Resignations 57–8w
Parkinson's disease 466–7w
Personal records, Dept of Health 47w
Primary health care 44–5w
Royal Shrewsbury Hospital, Personnel management 462w
Speech therapy 53–5w

Dental services
46w, 170–1w
Northamptonshire 458–9w

Departmental coordination
295w
Business 433w

Departmental records
Security 88w, 486w

Deportation
515w
Homosexuality 204w

Depressive illnesses
Young people 211w

Dept for Culture Media and Sport
Proof of identity 20w

Dept for Education and Employment
Disclosure of information 217w
Older workers 346–7w
Proof of identity 197w
Publications 350w
Refugees 89w

Dept for International Development
Proof of identity 82w

Dept of Health
Disclosure of information 221w
Northern region 323–5w
Personal records 47w, 321w
Proof of identity 55w

Dept of Social Security
Civil servants 37w
Committees 39w
Computers 478–9w
Grants 213w
Proof of identity 38–9w

Dept of the Environment Transport and the Regions
Proof of identity 2w
Public inquiries 483w

Dept of Trade and Industry
Career structure 339w
Civil servants 136w, 182–3w, 1000
Contracts 504w
Contracts for services 504w
Incentives 400w
Internet 21–3w
Minimum wage 396–8w
Newspaper press 183w
Proof of identity 131w

Deregulation
1007–8

Detention and training orders
515w

Detention centres
837–8

Deutsche Borse
Stock Exchange 476w

Developing countries
Arms trade 135–6
Debts 125w, 131–4
Food 487–8w
Primary education 137–8

Development Commission (Dissolution) Order 2000
Debates etc.
(08.05.00) 618

Devon
Magistrates' courts 491w
Social services (02.05.00) 20–8wh, 222w, 268w

Diabetes
Health services 460w

Diagnosis
Cancer (10.05.00) 982–90

Dietary supplements
242w

Digital broadcasting
19w, 319w
Social rented housing 211w
Wales 318w

Diplomatic service
Official cars 68w

Direct mail
Elections 78w

Disability Discrimination Act 1995
Questions
220–1w

Disability living allowance
123w, 278w, 414w
Appeals 414w

Disabled
Employment 275–6
Higher education 391w
Home care services 221–2w
Human rights 357w
Information technology 25–6w
Institutional care 222w
Prison accommodation 157w
Railway stations 369w

Disadvantaged
493w, 829
Financial services 421–2w
Information technology 185–6w
Urban areas 641–2

Discipline
Prisons 204–9w

Discrimination
Older workers 90w, 190w

Disease control
Bovine spongiform encephalopathy 96w, 140–1w, 244–5w
Bovine tuberculosis 243w, 376w

Diseases
Research 461–2w

Dismore, Mr Andrew
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 426–9, 433–5, 439, 454–5, 459–60, 469

***Dismore, Mr Andrew**—continued*
Questions
Police, Manpower 297w
Spoliation Advisory Panel 491–2

Divorce
Armed forces 263–4w
Housing 105w
Personal income 150–1w
Unemployed 151w

Dobbin, Mr Jim
Questions
Home care services, Standards 45w
Local government services, Private finance initiative 268–71w
Railways, Freight 436–7w
Road traffic control 229w
Social Fund 411–2w
Social security benefits, Payments 39w

Dobwalls bypass
358w

Doctors' list of patients
Overseas workers 63w

Domestic violence
402w
Contact orders 41w, 48w
Family courts 477–8w

Donaldson, Mr Jeffrey M
Questions
Extradition 76w
Parades Commission 286–7w
Parades Commission, Business interests 457w
Post offices 996
Shipbuilding 440w
Terrorism, Omagh 238w

Donohoe, Mr Brian H
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 740–1, 748

Doran, Mr Frank
Debates etc.
Finance Bill, Com (03.05.00) 196–8

Dorrell, Rt Hon Stephen
Debates etc.
Finance Bill, Com (03.05.00) 224, 246–9

Double taxation
31w

***Dowd, Jim**, Lord Commissioner of Her Majesty's Treasury*
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1129

Drew, Mr David
Debates etc.
Common agricultural policy (11.05.00) 1027
Finance Bill, Com (02.05.00) 93, 105, 111
Sittings in Westminster Hall
Crime, Rural areas (09.05.00) 161–5wh, 169wh
Questions
Business questions 299
Education, Gloucestershire 276–7
Hospitals, Consultants 410w

Droughts
Africa 81w

Drown, Ms Julia
Debates etc.
Rover Group (09.05.00) 650
Questions
Business questions 1014–5
Multiple occupation, Licensing 485w

Drug action teams
432w

Drug rehabilitation centres
20

Drugs
Abuse 83w, 403w, 824–6
Cancer 163–4w
Companies 57w
Crime 154–5w, 405–6w
Females 405–6w
Health education 294w
Labelling 169w
Lancashire 154–5w, 429–31w
Mass media 826–7
Slimming 409w

Duchy of Lancaster Benevolent Fund
314w

Duncan Smith, Mr Iain
Debates etc.
Defence (04.05.00) 304, 312, 315–30, 342, 346, 382–3
Sierra Leone, Points of order (12.05.00) 1137
Transport Bill, Programme motion and Rep (09.05.00) 733–40, 744–5, 747
Questions
EH101 helicopters, Procurement 510–1w
Lynx helicopters, Repairs and maintenance 511w
Patrol craft, Fishing grounds 511w
Sea King helicopters, Electronic equipment 512w
Warships 511–2w

Dunwoody, Mrs Gwyneth
Debates etc.
Common agricultural policy (11.05.00) 1034
Transport Bill, Programme motion and Rep (09.05.00) 668–9, 673–4, 683, 687–8, 698, 715–6
Transport Bill, Rep and 3R (10.05.00) 845–6
Questions
Air traffic 266w
Air traffic control 266–8w
Air traffic control, EC countries 484w
Air traffic control, Training 266w
Cellular phones, Licensing 502w
Cellular phones, Radio frequencies 502w
Church of England, Operating costs 290w
House of Commons, Telephone services 215w
National Air Traffic Services 388w
National Air Traffic Services, Consultants 265w
Radio frequencies, Emergency services 399w
Railways, Safety 360w
Swanwick Air Traffic Control Centre 265w

Dystonia
Death rate 46–7w
Research 172–3w

Eagle, Angela, Parliamentary Under-Secretary of State, Dept of Social Security
Questions
Back to work bonus scheme 380w
Child benefit 277–8w
Child Support Agency, Operating costs 36–7w
Children, Maintenance 35–6w
Computers, Dept of Social Security 478–9w
Disability living allowance 278w
Disability living allowance, Appeals 414w

Eagle, Angela*—*continued
Family credit 382–3w
Housing benefit, Earnings rules 38w
Jobseeker's allowance, Part-time employment 380w
Maternity payments, Sure start programme 123–4w
Members, Correspondence 277w
ONE programme 414w
ONE programme, Females 479–80w
Poverty, Children 381w
Social Fund 411–2w
Social security benefits, Take-up 275w
Social security benefits, Widowed people 277w
Winter fuel payments 381–2w, 412–3w
Winter fuel payments, Gosport 122–3w

Eagle, Maria
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1122–3, 1125, 1130, 1136–7, 1140, 1145–7, 1149–55, 1177–8, 1182
Questions
Business, Departmental coordination 433w

Early retirement
Farmers 373–4w
Teachers 178w

Early years development plans
188w

Earnings rules
Housing benefit 38w

East Africa
Overseas aid 126w

East coast railway line
228w

East Midlands
Air ambulance services 50w

Eastern region
Sports 317w

EC action
Food 63w, 175–7w
Science 485–6w
Taxation 334w

EC aid
Ethiopia 81–2w, 225w

EC budget
Contributions 468w

EC countries
Air traffic control 484w
Coal 340w
Medical treatments 490w
Taxation 31w

EC Draft 6629/2000
(11.05.00) 1024–109

EC enlargement
259w
Yugoslavia 259w

EC Food and Veterinary Office
407w

EC grants and loans
Fisheries 249–50w
Manufacturing industries 237–8w

EC law
Contracts 467–8w
Fines 120w
Investment 477w
Part-time employment 341–2w
Temporary employment 342w

EC Telecommunications Council
282–3w

Education
Cumbria 89w
Gloucestershire 276–7, 506–7w
Long term unemployed 149–50w
Low incomes 149w
Per capita costs 389w, 506–9w
Qualifications 178–9w
Racial discrimination 180w
Somerset 508–9w
Stoke on Trent 93w

Education and Employment Select Committee
(08.05.00) 619

Education (Student Support) (Amendment) Regulations 2000
Debates etc.
(12.05.00) 1184

Education (Student Support) Regulations 2000
Debates etc.
(12.05.00) 1184

Educational institutions
351w

Educational visits
Arts 490–1

Edwards, Mr Huw
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 445–6, 462, 470
Common agricultural policy (11.05.00) 1029, 1061–5
Questions
Japan, State visits 241w
Midwives, Pay 325w
Minimum wage 437–8w
Social Exclusion Unit 419w
Teachers, Conditions of employment 186w, 218w
UNMIK 329w

Efford, Mr Clive
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1126–7, 1161

EH101 helicopters
Procurement 510–1w

Elderly
827–9

Elections
Direct mail 78w
Local government 140–1, 522–3w
Mayor of London 142, 145–6

Electoral systems
Northern Ireland 109w

Electricity
Prices 438w

Electricity generation
444w
Scotland 280w

Electronic commerce
445w

Electronic Data Systems
National Audit Office 486w

Electronic equipment
Sea Harrier aircraft 512w
Sea King helicopters 512w

Electronic government
429w, 829–30
Cabinet Office 158–61w
Computer viruses 830
Foreign and Commonwealth Office 64w
Ministry of Agriculture Fisheries and Food 454w

Electronic surveillance
Internet 310w

Email
Veterans' Advice Unit 113w

Emergency services
Pensions 435w
Radio frequencies 399w

Emery, Rt Hon Sir Peter
Debates etc.
Sierra Leone (08.05.00) 523
Zimbabwe (03.05.00) 157
Questions
Magistrates' courts, Devon 491w
Slaughterhouses 94–5w

Employee share ownership schemes
National Air Traffic Services 362w

Employment
Children 124w
Disabled 275–6
Prisons 301–9w

Employment agencies
Parliament 215–6w

Employment tribunals
282w
Cardiff 28w
Public appointments 28w

Empty property
Council tax 644
Farms 107w
Ministry of Defence 8–9w

Energy
147w
Conservation 2w

Energy supply
Marketing 502w

Engineering
(11.05.00) 265–300wh

English language
Standard assessment tasks 346w

Ennis, Mr Jeff
Questions
Standard spending assessments 639
Zimbabwe, Arms trade 493–4w

Entry clearances
Appeals 523–4w

Environment protection
Northern Ireland 288w

Environmental health
Zoos 103–4w

Equal opportunities
Small businesses 443w

Eritrea
Overseas aid 129w

Ethical Trading Bill 1999/2000
Debates etc.
1R (09.05.00) 659–60

Ethics
Overseas trade (09.05.00) 659–60

Ethiopia
EC aid 81–2w, 225w
Overseas aid 82w, 125–6w, 129w, 224–5w
World Food Programme 224w

Ethnic groups
Civil servants 823–4
Special constables 156w
Sudan 453w

Ethnic minority achievement grant
344w

Euro 2000
Safety 312w

Eurocorps
264w

European Communities
see also EC headings

European Communities (Amendment) Act 1993
Debates etc.
(11.05.00) 1110

European Parliament members
Pensions 147w

European Police Office
Organised crime 331w

Evans, Mr Nigel
Debates etc.
Common agricultural policy (11.05.00) 1026
Questions
Business questions 1021–2
Civic dignitaries, Wales 383–4w
Drugs, Abuse 825
Football, Prices 488–9
Government departments, Internet 431w
Homelessness 634–5
Refugees, Dept for Education and Employment 89w
Refugees, Government departments 493w
Refugees, Home Office 332–4w
Refugees, Northern Ireland Office 15w

Exchange rates
144, 473–4w

Exeter City Council
Standards 145

Exhaust emissions
Aircraft 358–9w

Exhibitions
UK membership of EC 64–5w

Export controls
Arms trade 25w, 130–1w, 503–4w

Export credit guarantees
442w

Exports
Licensing 499w
Livestock 97w, 140w, 251–2w
PW Allen 28w

Exservicemen
Radiation exposure 329w, 448–9w

Extracurricular activities
184w

Extradition
76w

FA Cup Final
315w

Faber, Mr David
Questions
Athletics, Correspondence 211w
Athletics, Sportsgrounds 16w, 18w

Fabricant, Mr Michael
Debates etc.
Finance Bill, Com (03.05.00) 183, 187, 192, 200–3, 205
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1121, 1123–5, 1128, 1130–1, 1138–9, 1142–53, 1168, 1175
Questions
Arts, Educational visits 491
Business questions 300–1
Cancer, Drugs 163–4w
Chief Scientific Adviser 445w

Fabricant, Mr Michael—*continued*
Kosovo 130
New deal for 50 plus 281–2
Rover Group 182w

Falkland Islands
Bomb disposal 512w

Fallon, Mr Michael
Debates etc.
Finance Bill, Com (02.05.00) 46, 66
Members, Points of order (10.05.00) 841
Questions
Deregulation 1008
Labour market, Statistics 147w

Families
261w, 469–71w
Research 298–9w

Family courts
Domestic violence 477–8w

Family credit
382–3w

Far East
Prisoners of war 7w, 111w, 143

Farm waste grant scheme
245–6w

Farmers
see also Agriculture
Early retirement 373–4w
Northern Ireland 373–4w

Farming and Rural Conservation Agency
Standards 143–4w

Farms
Council tax 242–3w
Empty property 107w
Non-domestic rates 107w

Fearn, Mr Ronnie
Questions
Dietary supplements 242w
Hotels, Inspections 19w
Hotels, VAT 32w
Prescription drugs, Prices 409w
Regulation, Catering 88–9w
Sports, Expenditure 19w
Sports, National Lottery 18w

Females
Circumcision 320–1w
Drugs 405–6w
National insurance contributions 419w
ONE programme 479–80w

Fermanagh
Military bases 15–6w

Field, Rt Hon Frank
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 694
Questions
Child Support Agency, Computers 253–4w
Child Support Agency, Manpower 253w
Committees, Dept of Social Security 39w
Computers, Dept of Social Security 478–9w
Contracts, EC law 467–8w
Detention and training orders 515w
Electronic Data Systems, National Audit Office 486w
Medical treatments, EC countries 490w
Pensioners, Income 39w, 278–9w
Pensioners, Income support 255w
Royal Liverpool Children's Hospital and Community NHS Trust, Public appointments 490w
Social security benefits, Abuse 34–5w, 255w, 414–7w
Welfare Fraud Ministerial Group 37–8w

***Field, Rt Hon Frank**—continued*
Working families tax credit 32w, 230–1w, 425w

Fielding Committee
see General Osteopathic Council

Film
317–8w
India 484

Film Council
21w

Finance Bill 1999/2000
Debates etc.
Com (02.05.00) 41–119, (03.05.00) 167–268

Financial services
Disadvantaged 421–2w

Fines
British Nuclear Fuels 233w
EC law 120w

Fire services
Conditions of employment 223w
Northern Ireland (10.05.00) 242–7wh

Firearms
524w
Northern Ireland 491–2w

Fisheries
142w
Belgium 376–7w
Climate change levy 251w
EC grants and loans 249–50w
Irish Sea 250–1w

Fishing grounds
Patrol craft 511w

Fishing vessels
Safety 359w

Fitzherbert School Derbyshire
Correspondence 505w

Flags
Northern Ireland Roads Service 374–5w

Flight, Mr Howard
Debates etc.
Finance Bill, Com (02.05.00) 77, 80, 115–6, (03.05.00) 229, 260–1, 263, 265–6
Questions
Electronic commerce 445w
Housing, South East region 629

Flint, Caroline
Questions
Local government, Elections 140–1

Flynn, Errol
Public records 76–7w

Flynn, Paul
Questions
Advisory Council on the Misuse of Drugs, Police Foundation 297w
Animal experiments 77–8w
Antidepressants, Overdoses 325w
Bull bars 369w
Cannabis 406w
Corus 285w
Crimes of violence, Gwent 311w
Cultural heritage, Wales 81w
Drugs, Companies 57w
Drugs, Mass media 826
Mayor of London 296w
Prisoners' release, Wales 311w
State retirement pensions, Uprating 480w

Foden Thompson Carmichael MWD
Accidents 13w

Follett, Barbara
Questions
Civil service, Sick leave 433–4w

Food
Developing countries 487–8w
EC action 63w, 175–7w
Hospitals 48–9w

Food Standards Agency
Operating costs 176w

Football
19w, 316–8w
Prices 488–9
Safety 488
Television 315w

Forced labour
Pakistan 489w
South Asia 128w

Ford Motor Company
234–5w, 993
Dagenham 831–3, 992–3

Foreign and Commonwealth Office
Disclosure of information 64w
Electronic government 64w
Higher civil servants 495w
Proof of identity 199–200w
Secondment 66–7w
Telecommunications 391w
Wines 496w

Foreign investment in UK
446w

Forestry Commission
Pensions 428w

Forests
Brands Hatch (09.05.00) 179–86wh

Forsythe, Clifford
Death (02.05.00) 1

Forth, Mr Eric
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 402–5, 408, 417–9, 429–30, 448–9
Finance Bill, Com (02.05.00) 49–55, 65, 80
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1132–40, 1179
Northern Ireland government (08.05.00) 516
Transport Bill, Programme motion and Rep (09.05.00) 663–5
Questions
Business questions 1015
Civil servants, Ethnic groups 824
Refugees 837–8

Forth rail bridge
373w, 379–80w

Foster, Mr Don
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 674–6, 774–6, 779, 781–3, 789–91, 795–6, 806–7, 810
Transport Bill, Rep and 3R (10.05.00) 851–4, 872–5, 884, 935–7, 941, 977
Questions
Consultants, Ministry of Agriculture Fisheries and Food 455–7w
Empty property, Ministry of Defence 8–9w
Grants, Dept of Social Security 213w
Lorries 642
Pollution, Prosecutions 481–2w

Foster, Mr Michael Jabez, (Hastings and Rye)
Questions
Road works 637–8

Foster, Mr Michael John, (Worcester)
Questions
Bellwin scheme, Worcester 104–5w
Capital receipts initiative, Worcester 104w
Class sizes, Worcester 292–3w
Further education, Finance 218w

Foster care
407w
Costs 177w

Foulkes, Mr George, Parliamentary Under-Secretary of State for International Development
Questions
China, BP Amoco 488w
Ethiopia, EC aid 225w
Ethiopia, Overseas aid 224–5w
Ethiopia, World Food Programme 224w
Kosovo 129–30, 134–5
Lloyd's TSB 401w
Overseas aid, Non-governmental organisations 343w
Pakistan, Forced labour 489w
Pitcairn Islands, Overseas aid 401w
Sierra Leone, Armed conflict 488w
Sierra Leone, Overseas aid 489w
Zimbabwe, Overseas aid 225–6w

Fowler, Rt Hon Sir Norman
Debates etc.
Rover Group (09.05.00) 649–50

Fox, Dr Liam
Questions
Medical laboratory scientific officers, Pay 15
Nurses, Pay 326–7w
Patients' rights 9–10

France
Lorry drivers 370–1w

Franchises
Railways 228w

Fraud
Refugees 516–7w

Free school meals
352w
Greater London 506w

Freight
Railways 436–7w

Fruit
Organic food 246–7w

Further education
279–80, 347–8w
Finance 218w
Mergers 392–3w
Student numbers 347–8w

Future large aircraft
283w

Fyfe, Maria
Debates etc.
Northern Ireland government (08.05.00) 511
Transport Bill, Programme motion and Rep (09.05.00) 681, 695–6

Galbraith, Mr Sam
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 686–8

Gale, Mr Roger
Sittings in Westminster Hall
Cyprus (02.05.00) 11–3wh
Questions
Committee for Proprietary Medicinal Products 338w
Committee on Safety of Medicines 338w

***Gale, Mr Roger**—continued*
General Osteopathic Council, Public appointments 460–1w
Slimming, Drugs 409w
Social security benefits, Widowed people 277w

Gambia
Human rights 68w
Overseas aid 216w

Gamma hydroxybutyrate
405w

Gapes, Mr Mike
Debates etc.
Demonstrations, Greater London (02.05.00) 29
Northern Ireland government (08.05.00) 513
Questions
Cars, Manufacturing industries 992–3
Telecommunications, Foreign and Commonwealth Office 391w
United Nations, Peace keeping operations 835–6

Gardiner, Mr Barry
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 418
Finance Bill, Com (02.05.00) 45, 49, (03.05.00) 200–1
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1119–32, 1134, 1138–9, 1145–6, 1148, 1159, 1161–3, 1166, 1177
Questions
Wembley Stadium 492–3

Gas fired power stations
134–6w
Air pollution 237w

Gas supply
see Natural gas

Gases
Operating theatres 326w

GCE A level
348–9w

Gender
Hospital wards 19–20
Insurance 468w

General certificate of secondary education
347w
Standards 395–6w

General Osteopathic Council
Public appointments 460–1w

Generic prescribing
408w

Genetically modified organisms
429w
Animal feed 49w
Beekeeping 386w, 459w
Crops 212w, 249w, 436w
Disclosure of information 142w
Maize 49w

George, Mr Andrew
Debates etc.
Common agricultural policy (11.05.00) 1035–6
Questions
Disabled, Home care services 221–2w
Disabled, Institutional care 222w
Fisheries, EC grants and loans 249–50w
Nurses, Income 323w
Seasonal workers 1001
Second homes 362w

George, Mr Bruce
Debates etc.
Sierra Leone (08.05.00) 526
Questions
Mining 233w

Gerrard, Mr Neil
Questions
Long Lartin Prison, Prison sentences 153w
Pakistan, Visas 121w
Prison sentences 154w
Raja, Abdul Qayyum 153–4w

Gibb, Mr Nick
Questions
Census 262w
Civil servants, Dept of Trade and Industry 182–3w, 1000
Coal, Government assistance 340–1w
Gas fired power stations 134–5w
Gold and foreign exchange reserves 426w
Lloyd's TSB 401w
Natural gas 135w
Newspaper press, Dept of Trade and Industry 183w
Passports 157w
Postal services 284w
Schools, National anthems 293w

Gibson, Dr Ian
Sittings in Westminster Hall
Crime, Rural areas (09.05.00) 163–4wh, 167wh
Questions
Bowel cancer 164w, 319w
Cancer, Medical treatments 164w
Children, Employment 124w
Greenhouse effect 359–60w
Higher education, Standards 187w
National Lottery 481–2
NHS, Pay 408w
Norvic Clinic, Restraint techniques 78w

Gidley, Sandra
Oaths and affirmations (09.05.00) 658

Gifted children
Mathematics 350w

Gill, Mr Christopher
Debates etc.
Common agricultural policy (11.05.00) 1072–5, 1082
Finance Bill, Com (02.05.00) 104–7
Questions
Armed forces, Catering 390w
Athletics, Grants 452w
Athletics, Shropshire 452w, 486w
Burglary, Sentencing 404w
Climate change levy 1004–5
Crimes of violence, Sentencing 404w
Diseases, Research 461–2w
Fisheries 142w
Gold and foreign exchange reserves 143, 426w
HIV infection 170w
Hospital beds, Worcestershire 44w
National income 475w
Pigs, Subsidies 285w
Public order offences, Sentencing 403–4w
Slaughterhouses 95w
Teachers, Pay 184–5w
UK trade with EC 400–1w

Gillan, Mrs Cheryl
Sittings in Westminster Hall
Nuclear Non Proliferation Treaty (03.05.00) 74–5wh, 80–3wh
Questions
Kosovo 135

Glasgow
Unemployment 146

Global Cultural Diversity Congress
517w

Gloucestershire
Education 276–7, 506–7w
Headteachers 187w

Godman, Dr Norman A
Debates etc.
Common agricultural policy (11.05.00) 1025, 1034–5, 1063
Defence (04.05.00) 310–1, 332
Northern Ireland government (08.05.00) 512–3
Sierra Leone (08.05.00) 527
Transport Bill, Programme motion and Rep (09.05.00) 700–2
Transport Bill, Rep and 3R (10.05.00) 973
Zimbabwe (03.05.00) 159
Questions
Fisheries, Irish Sea 250–1w
Fishing vessels, Safety 359w
Kosovo 129–30
Republic of Ireland, Official residences 239–40w

Goggins, Mr Paul
Questions
Disadvantaged, Financial services 421–2w

Gold and foreign exchange reserves
143, 425–6w

Golding, Mrs Llin
Questions
Young offenders, Custodial treatment 297w

Gordon, Eileen
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1178–80
Questions
Patients' rights 9

Gorman, Mrs Teresa
Questions
Headteachers, Pay 188–9w
Manufacturing industries, Government assistance 439–40w

Gordon and Innes
29w

Gorrie, Mr Donald
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 691–2

Gosport
Winter fuel payments 122–3w

Government contracts
Corporate hospitality 25w

Government departments
Assets 424w
Internet 431w
Modernisation 429–30w
Operating costs 83w
Personnel management 86w
Public opinion 486w
Racial discrimination 519w
Refugees 493w
Standards 475–6w

Government Information and Communication Service
Costs 83–4w

Grant maintained schools
Finance 197–8w

Gray, Mr James
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 743

***Gray, Mr James**—continued*
Transport Bill, Rep and 3R (10.05.00) 848, 851–3, 858–61, 868, 870
Questions
Business questions 1020–1
Departmental records, Security 88w, 486w
Peace keeping operations, Pay 449w
Post offices 995
Post offices, Standards 439w
Slaughterhouses, Waste disposal 377w
Sleeping rough 631–2

Greater London
Demonstrations 139, 313–4w, 521w
Free school meals 506w
Health visitors 54w
Learning and skills councils 292
New deal schemes 506w
NHS trusts 326w
Post offices 24w
Race relations 402–3w
Refugees 173–5w
Road traffic 836
Special constables 156w
Stop and search 153w
Transport 361w

Green, Mr Damian
Questions
Planning, Rural areas 628–9

Greenbelt
359w

Greenham and Crookham Commons Bill 1999/2000
Debates etc.
2R order read (02.05.00) 1, (09.05.00) 627

Greenhouse effect
359–60w

Greenway, Mr John
Debates etc.
Demonstrations, Greater London (02.05.00) 29
Sittings in Westminster Hall
Sports (04.05.00) 122–32wh, 136wh, 146wh
Questions
RAF Staxton Wold 13w
Tourism, Sustainable development 483–4
Wembley Stadium 17–8w, 315–6w

Griffiths, Jane
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1176–7
Sierra Leone (08.05.00) 525
Transport Bill, Programme motion and Rep (09.05.00) 698–9
Questions
Arts 316w
Packaging, Recycling 362w

Grogan, Mr John
Questions
Football, Television 315w

Ground water
Fees and charges 228w

Gummer, Rt Hon John
Questions
Energy, Conservation 2w

Gwent
Crimes of violence 311w

Hadley pylon
(09.05.00) 194–200wh

Hague, Rt Hon William
Questions
Demonstrations, Greater London 139
Manufacturing industries 831–3

***Hague, Rt Hon William**—continued*
Road traffic, Greater London 836

Hain, Mr Peter, Minister of State, Foreign and Commonwealth Office
Sittings in Westminster Hall
Nuclear Non Proliferation Treaty (03.05.00) 83–7wh
Questions
Bombings, Iraq 74w
British Nuclear Fuels, Parliamentary questions 66w
China, Human rights 494–5w
Democratic Republic of Congo, Mining 257w
Electronic government, Foreign and Commonwealth Office 64w
Gambia, Human rights 68w
Higher civil servants, Foreign and Commonwealth Office 495w
India, Arms trade 73w
India, Minorities 73w
India, Nuclear weapons 73w
India, UN Security Council 73w
International Criminal Court 122w, 200w
Iran, Censorship 258w
Iran, Human rights 241w
Iran, Trials 258w
Iran, Visits abroad 257–8w, 495–6w
Iraq, Arms trade 121w
Iraq, Oil 67w, 259–60w
Iraq, Sanctions 121w, 240–1w
Israel, Children 68w
Kashmir 73w
Levy, Lord, Visits abroad 120w
Macedonia, Prisoners 496w
Proof of identity, Foreign and Commonwealth Office 199–200w
Sanctions 258w
Secondment, Foreign and Commonwealth Office 66–7w
Sierra Leone 329w
Sri Lanka 495w
Sudan, Armed conflict 73w
Sudan, Ethnic groups 453w
USA, Plutonium 120–1w
Wines, Foreign and Commonwealth Office 496w
Zimbabwe, Politics and government 257w

Hall, Mr Patrick
Debates etc.
Transport Bill, Rep and 3R (10.05.00) 939
Questions
Homelessness 634

Hamilton, Mr Fabian
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1159–60
Questions
Generic prescribing 408w

Hammond, Mr Philip
Debates etc.
Ashford Hospital (02.05.00) 42
Questions
Cancer, Health services 13
Dental services 170–1w
Health authorities 170w

Hampshire
Private roads 4w

Hancock, Mr Mike
Debates etc.
Members, Points of order (08.05.00) 530
Questions
Air routes 102w
Armed forces, Housing 449–50w
Balkans, Peace keeping operations 13w
Defence equipment, Transport 116w

***Hancock, Mr Mike**—continued*
Dystonia, Death rate 46–7w
Dystonia, Research 172–3w
Empty property, Ministry of Defence 9w
Navy, Housing 114–5w
Navy, Portsmouth 115–6w
Squalene 175w
Type 45 destroyers, Antiaircraft missiles 9–10w
Warships, Shipbuilding 115–6w

Hanson, Mr David, Parliamentary Under-Secretary of State, Office of the Secretary of State for Wales
Debates etc.
Cardiff Airport (02.05.00) 124–8
Questions
Civic dignitaries, Wales 383–4w
Cultural heritage, Wales 81w
Local government, Wales 384w

Harbour grant scheme
141w

Harefield Hospital
18–9, 42w

Harland and Wolff
239w

Harman, Rt Hon Harriet
Questions
Income support, Parental leave 276w

Harris, Dr Evan
Debates etc.
Rover Group (09.05.00) 655
Sittings in Westminster Hall
School leaving, Voluntary work (10.05.00) 225–6wh, 230–4wh

Harvey, Mr Nick
Questions
Nurses 7–8

Hawkins, Mr Nick
Questions
Climate change levy 148–9w
Courts, Chester 285–6w
Elections, Direct mail 78w

Hayes, Mr John
Debates etc.
Common agricultural policy (11.05.00) 1047–8, 1077, 1090–3

Hazardous materials
Imports 103w

Headteachers
Gloucestershire 187w
Pay 188–9w

Heal, Mrs Sylvia
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 405–6, 425–6, 435, 439–41, 462–5
Questions
Home care services, Standards 17
Longbridge Task Force 441–2w

Heald, Mr Oliver
Debates etc.
Finance Bill, Com (03.05.00) 243
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1127, 1131–2, 1138, 1145, 1147, 1157, 1166–8, 1171, 1176
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 533–4, 537–41, 543–4, 553, 556, 560–4, 570–1, 584, 586–7, 591–4, 597, 600, 607, 611, 615
Sittings in Westminster Hall
Crime, Rural areas (09.05.00) 163wh, 173–5wh, 177wh

***Heald, Mr Oliver**—continued*
Police, Manpower (03.05.00) 49wh, 55wh, 58–61wh

Health
Prisoners' release 311w
Statistics 46w

Health and Safety Executive
Manpower 105–6w, 227w

Health authorities
170w

Health education
Drugs 294w

Health hazards
Aspartame 56–7w
Synthetic fibres 168w

Health services
Cancer 13, 463–6w
Creutzfeldt-Jakob dementia 463w
Diabetes 460w
Incontinence 406–7w
Parliament 504–5w
Private sector 4–7
Shropshire 161–3w
Tuberculosis 166–7w

Health visitors
Greater London 54w

Heart diseases
18
Correspondence 57w
Surgery 174w

Heath, Mr David
Debates etc.
Common agricultural policy (11.05.00) 1030, 1045
Land drainage, Somerset levels (03.05.00) 269–72
Questions
Council tax, Rural areas 639–40
Football, Prices 488
Non-teaching staff, Pay 188w
Post offices 998
Post offices, Government assistance 439w
Primary education, Class sizes 286

Heathcoat-Amory, Rt Hon David
Debates etc.
Finance Bill, Com (02.05.00) 41–9, 59–60, 78–9, 86–91
Questions
National insurance contributions 426w

Helicopters
Police 312–3w

Henderson, Mr Ivan
Debates etc.
Transport Bill, Rep and 3R (10.05.00) 849

Hercules aircraft
Low flying 221w

Hesford, Mr Stephen
Questions
New deal for schools 92w

***Hewitt, Ms Patricia**, Minister of State, Dept of Trade and Industry*
Sittings in Westminster Hall
Engineering (11.05.00) 294–300wh
Questions
Business, Regulation 442w
Cellular phones, Licensing 502–3w, 514w
Cellular phones, Radio frequencies 502w
Council for Science and Technology 443w
Deregulation 1007–8
EC Telecommunications Council 282–3w
Electronic commerce 445w
Information technology, Community development 26–7w

***Hewitt, Ms Patricia**—continued*
Information technology, Disabled 25–6w
Internet, Dept of Trade and Industry 21–3w
Internet, Registration 29–30w
Radio frequencies, Emergency services 399w
Science, EC action 485–6w
Self-employed, Tax avoidance 439w
Small businesses 1003–4
Small businesses, Equal opportunities 443w
Small businesses, Finance 499–500w
Small businesses, Kent 998–9
Telephone numbering, Disclosure of information 399w

Higher civil servants
Cabinet Office 85–6w
Foreign and Commonwealth Office 495w

Higher education
Access 392w, 507–8w
Disabled 391w
Finance 290
Standards 187w
Student numbers 352w

Highlands of Scotland
Airport tax 148w

Hijacking
Afghanistan 517–8w

***Hill, Mr Keith**, Parliamentary Under-Secretary of State, Dept of the Environment Transport and the Regions*
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 776–80, 786–8, 794–8, 809–11
Transport Bill, Rep and 3R (10.05.00) 879, 883–6, 917–23, 938–41
Sittings in Westminster Hall
Bridges, Isle of Sheppey (03.05.00) 108–12wh
Questions
Bull bars 369w
Dobwalls bypass 358w
East coast railway line 228w
Fishing vessels, Safety 359w
Forth rail bridge 373w
Integrated pollution control 389w
London Underground, Standards 483–4w
Lorries 642
Lorry drivers, Compensation 370–1w
Motorways, Accidents 227w
Motorways, Lighting 226–7w
Motorways, Noise 369–70w
National Union of Rail Maritime and Transport Workers 201w
Office of the Rail Regulator, Finance 105w
Orange badge scheme, Correspondence 388w
Parking, Taxation 363w
Pedestrian areas, Road traffic control 4–5w
Pets, Cremation 6–7w, 201w
Railway network, Wales 228w, 483w
Railway stations, Cheam 359w
Railway stations, Disabled 369w
Railways, Freight 436–7w
Railways, Safety 360w
Road traffic control 229w
Road works 4w, 371–2w
Roads, Noise 484–5w
Roads, Tolls 271w
Royal train 5w, 437w
Safety belts, Buses 3–4w
Shipping, Safety 498–9w
Speed limits 363w, 371w
Trams, Croydon 371w
Trans-European networks 358w
Transport, Greater London 361w

***Hill, Mr Keith**—continued*
Waterloo-Exeter railway line 388–9w
Wembley Stadium, Public transport 6w

Hill farming
248w

Hill livestock allowances
97w, 249w

Hinchliffe, Mr David
Questions
Wembley Stadium 493–4

HIV infection
170w

HM Prison Service
see Prison Service

***Hodge, Ms Margaret**, Parliamentary Under-Secretary of State, Dept for Education and Employment*
Sittings in Westminster Hall
School leaving, Voluntary work (10.05.00) 237–41wh
Questions
Disability Discrimination Act 1995 220–1w
Disabled, Employment 275–6
Disabled, Human rights 357w
Early years development plans 188w
Meadow's School Derbyshire, Correspondence 343w
National Disability Council 195w
New deal for disabled people 193w
Older workers, Dept for Education and Employment 346–7w
Older workers, Discrimination 90w, 190w
Pre-school education 190–3w, 290–1w
Pre-school education, Finance 91w, 354–6w
Pre-school education, Inner city areas 90–1w
Refugees, Dept for Education and Employment 89w
Remploy 505w
Work permits, Cricket 349–50w

***Hoey, Miss Kate**, Parliamentary Under-Secretary of State, Dept for Culture Media and Sport*
Sittings in Westminster Hall
Sports (04.05.00) 113–22wh, 125wh, 129wh, 154–6wh
Questions
Athletics 229–30w
Athletics, Correspondence 211w
Athletics, Grants 452w
Athletics, Shropshire 452w, 486w
Athletics, Sportsgrounds 16w, 18w
Badminton Association of England 451w
Cricket 489–90
FA Cup Final 315w
Football 19w, 316–8w
Football, Prices 488–9
Football, Safety 488
National Lottery 487w
Sports, Eastern region 317w
Sports, Expenditure 19w
Sports, Finance 451–2w
Sports, National Lottery 18w
Sports, Schools 317–8w
Wembley Stadium 17–8w, 315–6w

Home care services
Disabled 221–2w
Standards 17–8, 45w

Home detention curfews
74–5w, 311–2w, 520w

Home improvement agencies
Contracts 481w

Home Office
Proof of identity 296w
Refugees 332–4w

Homelessness
106–7w, 634–5

Homicide
Young offenders 298w

Homosexuality
Deportation 204w

Hood, Mr Jimmy
Questions
EC Telecommunications Council 282–3w

***Hoon, Rt Hon Geoffrey**, Secretary of State for Defence*
Debates etc.
Defence (04.05.00) 302–15, 321, 325, 327–8
Questions
Defence Evaluation and Research Agency 10–2w
Defence Evaluation and Research Agency, Animal experiments 12w
Eurocorps 264w
RAF Fylingdales 513w
Trident, Costs 390–1w
Tritium 118–9w, 279w

Hope, Mr Phil
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 723
Questions
Connexions Service 196w
Landmines Act 1998 514–5w

Hopkins, Mr Kelvin
Questions
Television, Licensing 318w

Horn of Africa
Overseas aid 126w

Horses
Animal breeding 107w

Horticulture
Climate change levy 33–4w

Hospital beds
Worcestershire 44w

Hospital wards
Gender 19–20

Hospitals
Computers 177w
Consultants 410w
Food 48–9w
Hygiene 42w, 460w, (11.05.00) 1111–8
Northamptonshire 43w
Waiting lists 2–3, 43w, 45w, 63w

Hotels
Inspections 19w
VAT 32w

House of Commons
Procurement 391w
Telephone services 215w

Housing
Armed forces 449–50w
Construction 5w
Divorce 105w
Lone parents 386–7w
Navy 114–6w
South East region 358w, 629–30

Housing benefit
Earnings rules 38w

Howard, Rt Hon Michael
Debates etc.
Zimbabwe (03.05.00) 156

***Howarth, Mr Alan**, Parliamentary Under-Secretary of State, Dept for Culture Media and Sport*
Questions
Arts, Educational visits 490–1
Forth rail bridge 379–80w
Museums and galleries, Fees and charges 450–1w
National Endowment for Science Technology and the Arts 319w
National Railway Museum, Locomotives 20w
Spoliation Advisory Panel 491–2

***Howarth, Mr George**, Parliamentary Under-Secretary of State, Northern Ireland Office*
Sittings in Westminster Hall
Northern Ireland Fire Brigade, Conditions of employment (10.05.00) 245–7wh
Questions
Environment protection, Northern Ireland 288w
Northern Ireland Social Security Agency, Standards 492w
Royal Victoria Hospital Belfast, Repairs and maintenance 287w
Sellafield, Northern Ireland 288–9w
Social Fund, Northern Ireland 108w
Water supply, Northern Ireland 198–9w

Howarth, Mr Gerald
Debates etc.
Sierra Leone (08.05.00) 528–9
Transport Bill, Rep and 3R (10.05.00) 850, 854–8
Zimbabwe (03.05.00) 160
Questions
Armed forces, Catering 264w
Child Support Agency, Operating costs 36–7w
Disadvantaged 493w
Divorce, Housing 105w
Divorce, Personal income 150–1w
Divorce, Unemployed 151w
Domestic violence 402w
Education, Long term unemployed 149–50w
Education, Low incomes 149w
Education, Qualifications 178–9w
Families 261w
Families, Research 298–9w
Foster care 407w
Foster care, Costs 177w
Free school meals 352w
Homelessness 106–7w
Life expectancy 32w
Marriage guidance 1w
Military bases, Aldershot 390w
Poverty, Children 381w
Prisoners 297–8w
Suicide, Young people 150w
Teachers, Early retirement 178w
Young offenders, Homicide 298w
Young offenders, Supervision orders 298w

***Howells, Dr Kim**, Parliamentary Under-Secretary of State, Dept of Trade and Industry*
Sittings in Westminster Hall
Hadley pylon (09.05.00) 198–200wh
Questions
Arms trade, Channel Islands 280w
Arms trade, Democratic Republic of Congo 138w
Arms trade, Export controls 25w, 130–1w, 503–4w
Community Hospitals Group 446w
Companies House, Capita Group 25w, 398–9w

***Howells, Dr Kim**—continued*
Competition, Local government services 447w
Consumers, Protection 1002–3
Contracts, Dept of Trade and Industry 504w
Contracts for services, Dept of Trade and Industry 504w
Exports, Licensing 499w
Gordon and Innes 29w
Government contracts, Corporate hospitality 25w
Incentives, Dept of Trade and Industry 400w
Manufacturing industries, Northumberland 991–2
Milk, Competition 284w
Packaging, Waste disposal 1005–6
Proof of identity, Dept of Trade and Industry 131w
PW Allen, Exports 28w

Hoyle, Mr Lindsay
Debates etc.
Rover Group (09.05.00) 656–7
Questions
Beacon councils 635–6
Cricket 489–90

***Hughes, Ms Beverley**, Parliamentary Under-Secretary of State, Dept of the Environment Transport and the Regions*
Questions
Aerials, Planning permission 107w
Beacon councils 635–6
Bellwin scheme, Worcester 104–5w
Community development 360w
Construction, Standards 104w
Council tax, Rural areas 639–41
Housing, Construction 5w
Inner city areas, Grants 3w
Local government finance 361–2w
Local government services, Private finance initiative 268–71w
Non-domestic rates, Farms 107w
Ordnance Survey, Standards 202w
Parish councils 7w
Pedestrian areas 106w
Private roads, Hampshire 4w
Proof of identity, Dept of the Environment Transport and the Regions 2w
Public inquiries, Dept of the Environment Transport and the Regions 483w
Public lavatories 385w
Regional planning and development, South East region 361w
Social services, Devon 268w
Urban areas, Disadvantaged 641–2
West Midlands Regional Development Agency, Finance 6w
Yorkshire and Humberside Regional Development Agency 362–3w

Hughes, Colin
147–8

Hughes, Mr Simon
Debates etc.
Demonstrations, Greater London (02.05.00) 26–7
National service, Petitions (11.05.00) 1110
Newsagents, Points of order (08.05.00) 530
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 534–6, 541–6, 548, 553, 555, 564–5, 582–6, 588–92, 595–6, 599–600, 607–8, 612–3
Secondary education, Southwark (05.05.00) 473–7
Sierra Leone (08.05.00) 525–6
Sittings in Westminster Hall
Police, Manpower (03.05.00) 53–8wh

***Hughes, Mr Simon**—continued*
Questions
Church Commissioners, Investment 290w
Sports, Schools 318w
Sri Lanka 130–1
Trials 838–40

Human rights
China 494–5w
Disabled 357w
Gambia 68w
Iran 241w

Hunter, Mr Andrew
Debates etc.
Northern Ireland government (08.05.00) 513
Questions
Civil servants, Dept of Social Security 37w
Civil servants, Ministry of Defence 14w
Telephone numbering, Disclosure of information 399w

Hunting
495–6

Hurst, Mr Alan
Questions
Magistrates' courts, Closures 309–10w, 332w
Magistrates' courts, Operating costs 343w

***Hutton, Mr John**, Minister of State, Dept of Health*
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 397–400, 402, 406–8, 416, 419, 422–5, 431–3, 437–42, 444–5, 447–8, 451–4, 456–60, 467–71
Sittings in Westminster Hall
Mental health services, Sutton (03.05.00) 99–103wh
Social services, Devon (02.05.00) 25–8wh
Questions
Adoption 43w
Alcoholism, North East region 223w
Carers, Scotland 409w
Community health services 44w
Dental services 46w, 170–1w
Dental services, Northamptonshire 458–9w
Depressive illnesses, Young people 211w
Disabled, Home care services 221–2w
Disabled, Institutional care 222w
Domestic violence, Contact orders 41w, 48w
Foster care 407w
Foster care, Costs 177w
Home care services, Standards 17–8, 45w
Incontinence, Health services 406–7w
Institutional care 50–1w
Institutional care, Costs 56w
Long-Term Care Royal Commission 46w
Mental health, Research 173–4w
Mental health services 43w
Mental health services, Bromley 47w
Mental health services, Expenditure 51w
Neurology, Medical treatments 408–9w
NHS, Finance 11–2
Nursing homes, Finance 49w
"Protecting Children Supporting Parents Consultation Paper" 56w
Refugees, Greater London 173–5w
Social services, Expenditure 222w
Warrington Hospital 12

Hydrocarbons
388w

Hygiene
Hospitals 42w, 460w, (11.05.00) 1111–8

Iddon, Dr Brian
Questions
Assisted areas, Bolton 283w

***Iddon, Dr Brian**—continued*
Drugs, Abuse 403w, 825–6
Life imprisonment 403w
Millennium Exhibition 486–7
Royal Bolton Hospital, Ophthalmology 3–4
Unruly children 188w

Ilisu dam
27w, 284–5w

Illegal immigrants
310–1w

Illsley, Mr Eric
Debates etc.
Cancer, Diagnosis (10.05.00) 982–5

Immigration
Administrative delays 299–300w, 515w
Applications 434w, 516w

Immingham
Refugees 204w

Imports
Beef 64w
Hazardous materials 103w
Milk 100w

In vitro fertilisation
10–1

Incentives
Dept of Trade and Industry 400w

Income support
Lone parents 413–4w
Mortgages 417–9w
Parental leave 276w
Pensioners 141–2, 255w, 833

Income tax
426w

Incontinence
Health services 406–7w

India
Arms trade 73w
Film 484
Minorities 73w
Nuclear weapons 73w
Overseas aid 126w, 488w
Overseas trade 241–2w
UN Security Council 73w

Individual learning accounts
196w, 357w

Individual savings accounts
476w

Indonesia
Security 453w

Industrial diseases
City of Durham 138w
Compensation 138w, 234w, 339–40w, 444w

Industrial health and safety
106w
British Nuclear Fuels 342w
Complaints 264–5w
Inspections 265w
Opencast mining 370w

Influenza
Vaccination 170w

Information officers
Cabinet Office 314w

Information technology
Agriculture 243w
Community development 26–7w
Deeside 81w
Disabled 25–6w
Disadvantaged 185–6w
Medical records 60–1w

***Information technology**—continued*
Schengen Agreement 209w
Schools 92w, 185w, 283–5
Special education 91–2w

***Ingram, Rt Hon Adam**, Minister of State, Northern Ireland Office*
Questions
Disclosure of information, Northern Ireland Office 15w
Farmers, Northern Ireland 373–4w
Firearms, Northern Ireland 491–2w
Harland and Wolff 239w
Internet, Northern Ireland Office 238–9w
Monetary compensatory amounts, Northern Ireland 374w
Northern Ireland Office 239w
Northern Ireland Prison Service 457w
Northern Ireland Prison Service, Standards 199w
Northern Ireland Roads Service, Flags 374–5w
Parades Commission 286–7w
Parades Commission, Business interests 457w
Police, Insignia 109w
Proof of identity, Northern Ireland Office 287–8w
Railways, Northern Ireland 286w
Royal Ulster Constabulary 108–9w
Terrorism, Omagh 108w, 238w

Inner city areas
Grants 3w
Pre-school education 90–1w

Insignia
Police 109w

Institutional care
50–1w
AIDS 177w
Costs 56w
Disabled 222w

Insurance
Gender 468w
Motor vehicles 427w
Regulation 32w

Insurance companies
468–9w

Integrated pollution control
247–8w, 389w

Intelligence services
Regulation (08.05.00) 531–618

International Criminal Court
122w, 200w

International Stock Exchange
see Stock Exchange

Internet
Cabinet Office 82w
Dept of Trade and Industry 21–3w
Electronic surveillance 310w
Government departments 431w
Ministry of Defence 117–8w
Northern Ireland Office 238–9w
Registration 29–30w
Self-assessment of tax 426–7w
Voting methods 158w

Intervention stocks
98w

Iran
Censorship 258w
Human rights 241w
Trials 257–8w
Visits abroad 257–8w, 495–6w

Iraq
Arms trade 121w
Bombings 74w

***Iraq**—continued*
Oil 67w, 259–60w
Sanctions 121w, 240–1w
Water supply 128w

Irish Sea
Fisheries 250–1w

Isle of Sheppey
Bridges (03.05.00) 104–12wh

Israel
Children 68w

Jack, Rt Hon Michael
Debates etc.
Finance Bill, Com (02.05.00) 90, 96–100, 104, (03.05.00) 225, 227, 232, 244, 249–51
Transport Bill, Programme motion and Rep (09.05.00) 778–9
Questions
Climate change levy, Regulatory impact assessments 34w
Double taxation 31w
Nurses 7
Offshore funds 31w, 422w

Jackson, Helen
Questions
Parliamentary questions 431w

Jackson, Mr Robert
Debates etc.
Northern Ireland government (08.05.00) 514–5
Zimbabwe (03.05.00) 162
Questions
Electronic government, Cabinet Office 158–61w
Electronic government, Foreign and Commonwealth Office 64w
Electronic government, Ministry of Agriculture Fisheries and Food 454w
School meals 343w

Japan
Radioactive materials 236–7w
State visits 241w

Jenkin, Mr Bernard
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 666, 704–6, 710–1, 732, 745–9, 797, 804–5, 809, 811
Transport Bill, Rep and 3R (10.05.00) 912–9, 921, 940, 975–8
Questions
Aviation, Prime Minister 493w
Office of the Rail Regulator, Finance 105w
Road works 637
Roads, Tolls 271w

Jenkins, Mr Brian
Questions
Court Service, Standards 478w

Jobseeker's allowance
294–5w
Part-time employment 380w

***Johnson, Mr Alan**, Parliamentary Under-Secretary of State, Dept of Trade and Industry*
Questions
Aviation 443w
Cars, Manufacturing industries 282w
Employment tribunals 282w
Employment tribunals, Public appointments 28w
Future large aircraft 283w
Land Rover 24w
Longbridge Task Force 441–2w
Manufacturing industries, Government assistance 439–40w

***Johnson, Mr Alan**—continued*
Manufacturing industries, Trade competitiveness 440w
Minimum wage 21w, 339w, 437–8w
Minimum wage, Dept of Trade and Industry 396–8w
Partnership Fund 500w
Patent Office 130–7w
Post offices 184w, 438–9w, 994–8
Post offices, Government assistance 439w
Post offices, Greater London 24w
Post offices, Rural areas 439w
Post offices, Standards 439w
Postal services 284w
Rover Group 182w, 442w, 503w
Rover Group, Longbridge 441w
Seasonal workers 1001–2
Shipbuilding 440w, 501w

***Johnson, Miss Melanie**, Economic Secretary to the Treasury*
Debates etc.
Finance Bill, Com (03.05.00) 262–5
Questions
Annuities 214w
Cancer 30w
Capital investment 420w
Census 262w
Disadvantaged, Financial services 421–2w
Divorce, Personal income 150–1w
Divorce, Unemployed 151w
Dystonia, Death rate 46–7w
EC budget, Contributions 468w
Education, Long term unemployed 149–50w
Education, Low incomes 149w
Exchange rates 473–4w
Families 261w, 469–71w
Gold and foreign exchange reserves 425–6w
Individual savings accounts 476w
Insurance, Gender 468w
Insurance, Motor vehicles 427w
Insurance, Regulation 32w
Insurance companies 468–9w
Investment, EC law 477w
Labour market, Statistics 147w
Life expectancy 32w
National income 475w
National savings bonds 261w
Personal income 471w
Personal pensions 32w
Proof of identity, Treasury 214w
Stock Exchange, Deutsche Borse 476w
Suicide, Young people 150w
Tax allowances, Pensions 475w
Working mothers 471–3w

Johnson Smith, Rt Hon Sir Geoffrey
Debates etc.
Defence (04.05.00) 356, 361–4, 371

Joint Consultative Committee with the Liberal Democratic Party
see Labour Liberal Democrats Joint Consultative Committee

Joint exercises
513–4w

Jones, Rt Hon Barry
Questions
Foreign investment in UK 446w
Further education 280
Health services, Private sector 5
Information technology, Deeside 81w
Local government, Wales 384w

Jones, Ms Fiona
Questions
Air ambulance services, East Midlands 50w
Bovine spongiform encephalopathy 245w

***Jones, Ms Fiona**—continued*
Sheep, Animal breeding 96–7w

Jones, Helen M
Questions
Central Science Laboratory, Standards 145–6w
Centre for Environment Fisheries and Aquaculture Science, Standards 146w
Creutzfeldt-Jakob dementia, Health services 463w
Farming and Rural Conservation Agency, Standards 143–4w
Health and Safety Executive, Manpower 105–6w, 227w
Industrial health and safety 106w
Industrial health and safety, Inspections 265w
Pesticides Safety Directorate, Standards 144–5w
Veterinary Laboratories Agency, Standards 145w
Veterinary Medicines Directorate, Standards 142–3w
Warrington Hospital 12

Jones, Mr Jon Owen
Questions
Employment tribunals, Public appointments 28w

Jones, Dr Lynne
Debates etc.
Rover Group (09.05.00) 654
Transport Bill, Programme motion and Rep (09.05.00) 712
Sittings in Westminster Hall
Engineering (11.05.00) 282–6wh
Questions
Bovine spongiform encephalopathy, Disease control 140–1w
Bovine spongiform encephalopathy, Research 99w
Mental health services 43w
Nurses, Resignations 57–8w
Peru, Visas 240w

Jones, Mr Nigel
Questions
Education, Per capita costs 506–7w
St Gregory's School Cheltenham 90w

***Jowell, Rt Hon Ms Tessa**, Minister for the New Deal, Dept for Education and Employment*
Questions
Jobseeker's allowance 294–5w
New deal for 50 plus 280–2
New deal for long term unemployed 185w
New deal schemes, Greater London 506w
Personal and social education 90w
Vacancies, Chelmsford 294w

Kashmir
73w

Kaufman, Rt Hon Gerald
Debates etc.
Demonstrations, Greater London (02.05.00) 27

Keeble, Ms Sally
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1143–4

Keen, Mr Alan
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 702
Sittings in Westminster Hall
Sports (04.05.00) 144–6wh

Kelly, Ms Ruth
Questions
Kosovo, Mines 200w

Kennedy, Rt Hon Charles
Questions
By-elections, Romsey 833–5
Refugees 141

Kennedy, Jane, Parliamentary Under-Secretary of State, Lord Chancellor's Dept
Debates etc.
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 531–3, 536, 590–2
Questions
Court Service, Standards 478w
Courts, Chester 285–6w
Family courts, Domestic violence 477–8w
Magistrates' courts, Devon 491w
Magistrates' courts, Operating costs 343w
Marriage guidance 1w
Trials 436w

Kent
Council tax 837
Small businesses 998–9

Kent County Council Bill (HL) 1998/99
Debates etc.
2R order read (04.05.00) 275, (11.05.00) 991

Key, Mr Robert
Debates etc.
Defence (04.05.00) 374–80
Transport Bill, Rep and 3R (10.05.00) 937–8
Sittings in Westminster Hall
Meteorological Office, Tiree (10.05.00) 259–60wh
Questions
Armed forces, Manpower 10w
Macedonia, Prisoners 496w
Reserve forces 509–10w

KFOR
Costs 14w

Khabra, Mr Piara S
Questions
India, Overseas aid 488w

Kidney, Mr David
Questions
Ethiopia, Overseas aid 129w
Export credit guarantees 442w
Ministry of Defence Police, Sick leave 14–5w
Tourism, Sustainable development 483

King, Mr Andy
Questions
Medical records 212w

King, Ms Oona
Questions
Children, Maintenance 35–6w
Deportation, Homosexuality 204w

King, Rt Hon Tom
Debates etc.
Defence (04.05.00) 318, 324, 335–9, 378

Kingham, Ms Tess
Questions
Ilisu dam 284–5w

Kirkbride, Miss Julie
Debates etc.
Rover Group (09.05.00) 652
Questions
Council tax, Rural areas 640–1
Land Rover 24w
Licensing laws 78w

Kirkbride, Miss Julie—continued
Millennium Exhibition 486

Kirkwood, Mr Archy
Debates etc.
Transport Bill, Rep and 3R (10.05.00) 900–2
Questions
House of Commons, Procurement 391w
Parliament, Security 505w
Portcullis House, Contracts 221w
Post offices, Rural areas 492w

Kosovo
129–30, 134–5
Armed conflict 512w
Challenger tanks 201w
Construction 1006–7
Mines 129w, 200w
Refugees 75w

Kumar, Dr Ashok
Sittings in Westminster Hall
Engineering (11.05.00) 268–72wh, 276wh
Questions
Competition, Local government services 447w
Emergency services, Pensions 435w
Osteoporosis 164–5w
Tees barrage 437w

Labelling
Drugs 169w

Labour Liberal Democrats Joint Consultative Committee
16w

Labour market
Statistics 147w

Ladyman, Dr Stephen
Sittings in Westminster Hall
Symphysis pubis dysfunction (03.05.00) 88–91wh
Questions
Animal experiments, Disclosure of information 210w
Business questions 297–8

Laing, Mrs Eleanor
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 807–8, 810–1
Transport Bill, Rep and 3R (10.05.00) 878, 919, 921
Questions
Business questions 296–7

Lait, Mrs Jacqui
Questions
Electronic government, Computer viruses 830
Mental health, Research 173–4w
Mental health services, Bromley 47w
Mental health services, Expenditure 51w
Mental health services, Primary care groups 51w
Pensioners, Income 275–6w
Personal pensions 32w
Prisoners of war, Compensation 7w

Lancashire
Child Support Agency 253w
Drugs 154–5w, 429–31w

Land
Ministry of Defence 118w
Ownership 99w

Land drainage
Somerset levels (03.05.00) 269–74

Land Rover
24w

Landfill tax
(10.05.00) 248–56wh

Landlord and Tenant Act 1985
Questions
272w

Landmines Act 1998
Questions
514–5w

Lansley, Mr Andrew
Questions
Advertising, Cabinet Office 86w
Buildings, Cabinet Office 85w
Centre for Management and Policy Studies 84–5w
Civil servants, Cabinet Office 86–8w
Civil service, Codes of practice 314w
Drugs, Abuse 83w
Elderly 828–9
Government departments, Operating costs 83w
Government departments, Personnel management 86w
Government Information and Communication Service, Costs 83–4w
Higher civil servants, Cabinet Office 85–6w
Information officers, Cabinet Office 314w
Ministerial Group on Rural Affairs 86w
Ministerial policy advisors 181w
Ministerial policy advisors, Cabinet Office 315w
Performance and Innovation Unit 109–10w
Personal and social education 90w
Personnel, Prime Minister 112w
Rural areas, Bank services 84w
Social Exclusion Unit 110–1w
Standards, Cabinet Office 85w

Lantra
Training 243–4w

Lavender
98w

Law enforcement
143

Lawrence, Mrs Jackie
Debates etc.
Finance Bill, Com (02.05.00) 90–1, 103–4
Questions
Buildings, Treasury 231w
Fire services, Conditions of employment 223w
Taxation, Reform 33w
World War II, Compensation 262w

Laxton, Mr Bob
Questions
New deal for communities 632

Learning and skills councils
217w
Greater London 292

Leigh, Mr Edward
Questions
Families 469–71w
Personal income 471w
Sure start programme 288
Working mothers 471–3w

Lepper, Mr David
Questions
Family courts, Domestic violence 477–8w

Leslie, Mr Christopher
Debates etc.
Finance Bill, Com (02.05.00) 44
Questions
Migration and Visa Correspondence Unit, Standards 122w

Letwin, Mr Oliver
Debates etc.
Finance Bill, Com (02.05.00) 56–7, 66, 78, 81–3, (03.05.00) 220–33, 236, 238, 240–8, 251–7
Questions
Defence Diversification Agency, Technology transfer 448w
Parkinson's disease 466–7w
Police, Manpower 435w

Levy, Lord
Visits abroad 120w

Lewes
419w

Lewis, Dr Julian
Debates etc.
Sierra Leone (08.05.00) 529
Questions
Business questions 1017
Health services, Private sector 6

Lewis, Richard
Prerogative of mercy 310w

Licensing laws
78–9w

Licensing (Young Persons) Bill 1999/2000
Debates etc.
Rep and 3R adjourned (12.05.00) 1119–84

***Liddell, Rt Hon Mrs Helen**, Minister for Energy and Competitiveness in Europe, Dept of Trade and Industry*
Questions
Alternative energy 137–8w, 443–4w
British Nuclear Fuels, Fines 233w
British Nuclear Fuels, Industrial health and safety 342w
British Nuclear Fuels, Parliamentary questions 132–3w
British Nuclear Fuels, Public appointments 132–3w, 342w
British Nuclear Fuels, Quality control 133w
Career structure, Dept of Trade and Industry 339w
Civil servants, Dept of Trade and Industry 182–3w
Climate change levy 1004–5
Coal, EC countries 340w
Coal, Government assistance 340–1w, 400w
Construction, Kosovo 1006–7
Electricity, Prices 438w
Electricity generation 444w
Electricity generation, Scotland 280w
Energy supply, Marketing 502w
Gas fired power stations 134–5w
Gas fired power stations, Air pollution 237w
Industrial diseases, Compensation 138w, 234w, 339–40w, 444w
Liquefied petroleum gas 399w
Mining 233w
Mining, Pensions 138w, 398w
Natural gas 135w
North Sea oil 441w
Oil, Prices 400w
Power stations, Planning permission 133–4w
Radioactive materials, Japan 236–7w
Sellafield, Quality control 131–3w
Sellafield, Radioactive wastes 133w
Sellafield, Safety 281–2w
Wind power 137w

Lidington, Mr David
Questions
Correspondence, Ministry of Agriculture Fisheries and Food 100w

***Lidington, Mr David**—continued*
Home detention curfews 311–2w
NHS, Finance 58–9w
Parole 79–80w
Public service, Standards 79w

Life expectancy
32w

Life imprisonment
403w

Ligaments
Pregnancy (03.05.00) 88–94wh

Lighting
Motorways 226–7w

Lilley, Rt Hon Peter
Questions
Consumers, Protection 1003
NHS, Administration 459w
NHS, Finance 60w
Patients' rights 9

Linton, Mr Martin
Debates etc.
Demonstrations, Greater London (02.05.00) 33

Liquefied petroleum gas
399w

Livestock
Exports 97w, 140w, 251–2w

Livsey, Mr Richard
Debates etc.
Common agricultural policy (11.05.00) 1027, 1062, 1098
Transport Bill, Rep and 3R (10.05.00) 901–2
Questions
Mead Webber Abattoir 410–1w, 489–90w

Lloyd, Rt Hon Sir Peter
Questions
Mother and baby units 157–8w
Prisoners, Maternity pay 158w
Prisons, Discipline 204–9w
Prisons, Visits 209w
Secure training orders 299w

Lloyd, Mr Tony
Debates etc.
Demonstrations, Greater London (02.05.00) 33–4
Questions
Air routes, Regional airports 361w
Army Criminal Legal Aid Authority, Administrative delays 262–3w
NHS, Finance 11–2

Lloyd's TSB
401w

Llwyd, Mr Elfyn
Debates etc.
Common agricultural policy (11.05.00) 1028, 1064, 1087–90
Questions
Arms trade, Export controls 503–4w
Exports, Licensing 499w
Hill livestock allowances 97w
Planning, Rural areas 629

Local child curfew schemes
517w

Local education authorities
Operating costs 395–6w

Local government
Climate change levy 34w
Elections 140–1, 522–3w
Reading 835
Wales 384w

Local government finance
361–2w

Local government services
Competition 447w
Private finance initiative 268–71w

Location
Civil service 14w

***Lock, Mr David**, Parliamentary Secretary, Lord Chancellor's Dept*
Questions
Community Legal Service 477w

Lockheed Martin
Safety 7–8w

Locomotives
National Railway Museum 20w

London
see Greater London

London Local Authorities Bill (HL) 1996/97
Debates etc.
Order for consideration read (04.05.00) 275, (11.05.00) 991

London Underground
Standards 483–4w

Lone parents
Housing 386–7w
Income support 413–4w

Long Lartin Prison
Prison sentences 153w

Long term unemployed
Education 149–50w

Longbridge
Rover Group 138–9, 232w, 441w, 838

Longbridge Task Force
231w, 441–2w

Long-Term Care Royal Commission
46w

Lorries
642

Lorry drivers
Compensation 370–1w
France 370–1w

Loughton, Mr Tim
Debates etc.
Finance Bill, Com (02.05.00) 88, 97, 106–9, 114
Questions
Hospital wards, Gender 19–20
Public inquiries, Dept of the Environment Transport and the Regions 483w
Rent Service 271w
Rents, Regulation 271–2w

Love, Mr Andrew
Sittings in Westminster Hall
Cyprus (02.05.00) 5wh, 10–1wh

Low flying
Hercules aircraft 221w

Low incomes
Education 149w

Lowdham Grange Prison
436w

Lucas Varity
238w

Luff, Mr Peter
Debates etc.
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 574–5
Transport Bill, Programme motion and Rep (09.05.00) 793–4

Luff, Mr Peter—continued
Questions
Developing countries, Debts 125w
Digital broadcasting 19w
Offices, Ministry of Agriculture Fisheries and Food 252w
Roads, Noise 484–5w
Rover Group 503w
Slaughterhouses 96w

Luton
Pensioners 318w

Lyell, Rt Hon Sir Nicholas
Debates etc.
Finance Bill, Com (03.05.00) 198–200, 203, 211–2, 216
Questions
Criminal Justice (Mode of Trial) (No 2) Bill 1999/2000 436w
Trials 436w

Lynx helicopters
Repairs and maintenance 511w

Macau
Arms trade 73–4w

McCabe, Mr Stephen
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1179
Northern Ireland government (08.05.00) 515
Questions
Arts, Educational visits 490
Curriculum, Numeracy 194–5w
Minimum wage 438w

McCafferty, Ms Chris
Questions
Circumcision, Females 320–1w
Teenage pregnancy 165–6w

***McCartney, Rt Hon Ian**, Minister of State, Cabinet Office*
Questions
Drug action teams 432w
Drugs, Abuse 83w
Electronic government 429w
Electronic government, Cabinet Office 158–61w
Government departments, Internet 431w
Government departments, Personnel management 86w
Government departments, Public opinion 486w

McDonagh, Ms Siobhain
Questions
Smoking, Advisory services 335–6w

McDonnell, Mr John
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 688–91
Questions
Gambia, Human rights 68w
Gambia, Overseas aid 216w
India, Minorities 73w

Macedonia
Prisoners 201w, 496w

McFall, Mr John
Debates etc.
Defence (04.05.00) 330–5

McGrady, Mr Eddie
Questions
British Nuclear Fuels, Fines 233w
Electoral systems, Northern Ireland 109w
Environment protection, Northern Ireland 288w
Farmers, Northern Ireland 373–4w

McGrady, Mr Eddie—continued
India, Overseas aid 126w
Monetary compensatory amounts, Northern Ireland 374w
OSPAR Commission 227w
Public bodies, Northern Ireland 375w
Railways, Northern Ireland 286w
Sellafield, Northern Ireland 288–9w
Sellafield, Safety 281–2w
Terrorism, Northern Ireland 831

McIntosh, Miss Anne
Questions
Air routes, USA 372–3w
Churches, VAT 101w, 289w
Euro 2000, Safety 312w
Hunting 496
Integrated pollution control 389w
Millennium landmark projects 485
New deal for communities 633–4
Osteoporosis 16
Refugees, Kosovo 75w
Training and enterprise councils 291–2

McIsaac, Shona
Questions
Business questions 301, 1017
Modern apprenticeships 282–3
National Lottery, Coastal areas 316w
Northern Ireland Prison Service 457w
Refugees, Immingham 204w

MacKay, Rt Hon Andrew
Debates etc.
Northern Ireland government (08.05.00) 503–4

Mackinlay, Mr Andrew
Debates etc.
Demonstrations, Greater London (02.05.00) 31
Questions
Business questions 1015
Parliament, Employment agencies 215–6w
Sierra Leone 329w
State visits, China 331w
Teachers, Pay 187–8w

Maclean, Rt Hon David
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1126, 1128–9, 1131, 1136–7, 1143–4, 1148, 1155–64
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 549–50, 600, 603–7, 610

Maclennan, Rt Hon Robert
Questions
Arts, Educational visits 490–1
Internet, Cabinet Office 82w
Internet, Dept of Trade and Industry 21–3w
Internet, Ministry of Defence 117–8w
Internet, Northern Ireland Office 238–9w

McLoughlin, Mr Patrick
Questions
Business questions 1012–3
Fitzherbert School Derbyshire, Correspondence 505w
Meadow's School Derbyshire, Correspondence 343w
Orange badge scheme, Correspondence 388w
William Gilbert School Derbyshire, Correspondence 506w

McNamara, Mr Kevin
Debates etc.
Northern Ireland government (08.05.00) 509–10
Sierra Leone (08.05.00) 524

McNamara, Mr Kevin—continued
Questions
East coast railway line 228w
Harland and Wolff 239w
Police, Insignia 109w
Royal Ulster Constabulary 108–9w

MacShane, Mr Denis
Questions
Child care tax credit 422w
Football, Safety 488

Mactaggart, Fiona
Questions
Government departments, Public opinion 486w
Hospitals, Waiting lists 3
Individual learning accounts 196w
Pensions, Payments 40–1w
Post offices 995–6
Sleeping rough 630–1

McWalter, Mr Tony
Questions
Water supply, Northern Ireland 198–9w

Madel, Sir David
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 780

Maginnis, Mr Ken
Debates etc.
Northern Ireland government (08.05.00) 514
Sittings in Westminster Hall
Northern Ireland Fire Brigade, Conditions of employment (10.05.00) 242–6wh

Magistrates' courts
Closures 309–10w, 332w
Devon 491w
Operating costs 343w

Mahon, Mrs Alice
Questions
Law enforcement 143

Maintenance
Children 35–7w

Maize
Genetically modified organisms 49w

Major, Rt Hon John
Debates etc.
Northern Ireland government (08.05.00) 508

Malaria
128–9w

Mallaber, Judy
Questions
Regional selective assistance 27–8w, 1000

***Mandelson, Rt Hon Peter**, Secretary of State for Northern Ireland*
Debates etc.
Northern Ireland government, Ministerial statements (08.05.00) 501–17
Questions
Northern Ireland Forum, Publications 457–8w
Public appointments, Northern Ireland 373w
Public bodies, Northern Ireland 375w
Refugees, Northern Ireland Office 15w

Manufacturing industries
831–3
Cars 235w, 282w, 444w, 446w, 992–4
EC grants and loans 237–8w
Government assistance 439–40w
Northumberland 991–2
Regulation 430w

Manufacturing industries—continued
Trade competitiveness 440w

Maples, Mr John
Debates etc.
Rover Group (09.05.00) 651

Marek, Dr John
Questions
British dependent territories, British citizenship 240w, 496w
Developing countries, Food 487–8w
Milk, Competition 284w
Railway network, Wales 228w, 483w
Spain, Visas 66w

Marketing
Energy supply 502w
Milk 28–9w

Marriage guidance
1w

Marsden, Mr Gordon
Questions
Drugs, Lancashire 429w

Marsden, Mr Paul
Questions
Cerebral palsy, Medical treatments 48w
Defibrillators 462w
EC Food and Veterinary Office 407w
Iraq, Sanctions 121w
Medical records, Information technology 60–1w
New deal for schools, Shrewsbury 291–2w
Prisoners of war, Compensation 111w
Rover Group 442w
Royal Shrewsbury Hospital, Personnel management 462w
Sheep 97w
Tax avoidance, Self-employed 30–1w
Voting methods, Internet 158w

Martlew, Mr Eric
Questions
Commonwealth Development Corporation 129–30w
Official engagements, Prime Minister 109w

Mass media
Drugs 826–7

Maternity pay
Prisoners 158w

Maternity payments
Sure start programme 123–4w

Mathematics
Gifted children 350w

Maude, Rt Hon Francis
Debates etc.
Sierra Leone (08.05.00) 519–20
Zimbabwe (03.05.00) 150–2
Questions
Levy, Lord, Visits abroad 120w

Mawhinney, Rt Hon Sir Brian
Debates etc.
Northern Ireland government (08.05.00) 511
Questions
Members, Correspondence 100w
Tax avoidance, Self-employed 30w

May, Mrs Theresa
Questions
Pre-school education, Finance 354–6w
Sure start programme 289
Teachers, Recruitment 278–9

Mayor of London
296w
Elections 142, 145–6

Meacher, Rt Hon Michael, Minister for the Environment, Dept of the Environment Transport and the Regions
Questions
Aerosols 274w
Air pollution, Accidents 373w
Birds of prey 387–8w
Convention on International Trade in Endangered Species 363–7w
Energy, Conservation 2w
Genetically modified organisms, Beekeeping 386w
Genetically modified organisms, Crops 436w
Greenhouse effect 359–60w
Health and Safety Executive, Manpower 105–6w, 227w
Hydrocarbons 388w
Industrial health and safety 106w
Industrial health and safety, Complaints 264–5w
Industrial health and safety, Inspections 265w
Montreal Protocol 272–3w
National parks authorities, Correspondence 229w
Opencast mining, Industrial health and safety 370w
Organophosphates 361w
OSPAR Commission 227w
Packaging, Recycling 362w
Planning, Rural areas 627–9
Refrigeration, NHS 273–4w
Sellafield, Nuclear fuel reprocessing 1–2w
Sustainable development 272w
Volatile organic compounds 273w
Waste management 3w
Waste management, Licensing 367–9w
Zoos, Environmental health 103–4w

Mead Webber Abattoir
410–1w, 489–90w

Meadow's School Derbyshire
Correspondence 343w

Medical equipment
Asthma 326w

Medical laboratory scientific officers
Death rate 62w
Pay 14–5, 61–2w
Training 61w

Medical records
212w
Information technology 60–1w
Shropshire 60–1w

Medical Treatment (Prevention of Euthanasia) Bill 1999/2000
Debates etc.
Order for resuming adjourned consideration read (05.05.00) 472, (12.05.00) 1183

Medical treatments
46w
Cancer 164w
Cerebral palsy 48w
EC countries 490w
Neurology 408–9w

Medway Council Bill (HL) 1998/99
Debates etc.
2R order read (04.05.00) 275, (11.05.00) 991

Members
Correspondence 100w, 277w
Rulings and statements (08.05.00) 530, (10.05.00) 841

Mental health
Research 173–4w

Mental health—continued
Rural areas 246w

Mental health services
43w
Bromley 47w
Expenditure 51w
Primary care groups 51w
Sutton (03.05.00) 95–103wh

Mergers
Further education 392–3w

Mersey Tunnels Bill 1999/2000
Debates etc.
2R order read (04.05.00) 275, (11.05.00) 991

Meteorological Office
Tiree (10.05.00) 257–64wh

Metropolitan Police
Audio equipment 154w

Michie, Mr Bill
Questions
Developing countries, Primary education 137
Heart diseases 18

Michie, Mrs Ray
Sittings in Westminster Hall
Meteorological Office, Tiree (10.05.00) 257–9wh, 963wh
Questions
Internet, Registration 29–30w
Safety belts, Buses 3–4w

Midlands Electricity
Planning permission (09.05.00) 194–200wh

Midwives
Pay 325w

Migration and Visa Correspondence Unit
Standards 122w

Milburn, Rt Hon Alan, Secretary of State for Health
Questions
Harefield Hospital 18–9
Health services, Private sector 4–7
Heart diseases 18
Hospitals, Waiting lists 2–3
Royal Bolton Hospital, Ophthalmology 3–4

Military aircraft
see also Low flying
Repairs and maintenance 113w

Military bases
Aldershot 390w
Fermanagh 15–6w

Milk
Competition 284w
Imports 100w
Marketing 28–9w
Prices 453–4w

Millennium Exhibition
486–7
Corporate hospitality 379w
Ministry of Agriculture Fisheries and Food 454w

Millennium landmark projects
484–6

Miller, Mr Andrew
Questions
Business questions 1018
Digital broadcasting 319w
Disabled, Employment 275–6
Veterans' Advice Unit, Email 113w

Mines
Kosovo 129w, 200w

Minimum wage
21w, 339w, 422w, 437–8w
Dept of Trade and Industry 396–8w
Ministry of Agriculture Fisheries and Food 252–3w
Ministry of Defence 112–3w

Mining
233w
Democratic Republic of Congo 257w
Pensions 138w, 142–3, 398w

Ministerial Group on Rural Affairs
86w

Ministerial Group on Welfare Fraud
see Welfare Fraud Ministerial Group

Ministerial policy advisors
181w, 430w
Cabinet Office 315w

Ministerial statements
Demonstrations (02.05.00) 21–35
Northern Ireland government (08.05.00) 501–17
Rover Group (09.05.00) 645–57
Sierra Leone (08.05.00) 518–29
Zimbabwe (03.05.00) 149–62

Ministry of Agriculture Fisheries and Food
Consultants 455–7w
Correspondence 100w
Disclosure of information 252w
Electronic government 454w
Millennium Exhibition 454w
Minimum wage 252–3w
Offices 139–40w, 252w
Research 98–9w, 247w

Ministry of Defence
Civil servants 14w
Disclosure of information 12w
Empty property 8–9w
Internet 117–8w
Land 118w
Minimum wage 112–3w
Proof of identity 112w

Ministry of Defence Police
Sick leave 14–5w

Minorities
India 73w

Mitchell, Mr Austin
Questions
Cars, Manufacturing industries 282w
Coal, EC countries 340w
EC enlargement 259w
Fisheries, Belgium 376–7w
Fisheries, Irish Sea 251w
Investment, EC law 477w
Schengen Agreement, Information technology 209w
Science, EC action 485–6w
Western European Union, Public appointments 450w
Yugoslavia, EC enlargement 259w

MMR vaccine
Research 172w

Mobile phones
see Cellular phones

MOD Veterans' Advice Unit
see Veterans' Advice Unit

Modern apprenticeships
282–3

Moffatt, Laura
Questions
Sleeping rough 630–1

Moffatt, Laura*—*continued
Trident, Costs 390–1w

Monetary compensatory amounts
Northern Ireland 374w

Montreal Protocol
272–3w

Moonie, Dr Lewis, Parliamentary Under-Secretary, Ministry of Defence
Debates etc.
Defence (04.05.00) 357, 380–6
Sittings in Westminster Hall
Meteorological Office, Tiree (10.05.00) 260–4wh
Questions
Armed forces, Catering 264w, 390w
Armed forces, Housing 449–50w
Chemical and biological warfare 114w
Civil servants, Ministry of Defence 14w
Defence Diversification Agency, Technology transfer 448w
Defence equipment, Procurement 118w
Defence equipment, Transport 116w
Disclosure of information, Ministry of Defence 12w
Empty property, Ministry of Defence 8–9w
Exservicemen, Radiation exposure 329w, 448–9w
Foden Thompson Carmichael MWD, Accidents 13w
Internet, Ministry of Defence 117–8w
Land, Ministry of Defence 118w
Military aircraft, Repairs and maintenance 113w
Minimum wage, Ministry of Defence 112–3w
Museums and galleries, Winchester 14w
Navy, Housing 114–5w
Navy, Portsmouth 115–6w
Nuclear submarines, Decommissioning 447–8w
Prisoners of war, Compensation 7w
Proof of identity, Ministry of Defence 112w
Salisbury Plain 118w
Type 45 destroyers, Antiaircraft missiles 9–10w
Warships, Shipbuilding 115–6w

Moore, Mr Michael
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 798–9, 805–7
Transport Bill, Rep and 3R (10.05.00) 896–900, 909
Questions
Road works 4w

Moran, Ms Margaret
Debates etc.
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 546–8
Questions
Appointments Commission, Public appointments 181–2w
Domestic violence, Contact orders 41w, 48w
Iran, Human rights 241w
Northern Ireland Prison Service, Standards 199w

Morgan, Mr Alasdair
Sittings in Westminster Hall
Meteorological Office, Tiree (10.05.00) 258wh
Questions
Immigration, Administrative delays 299–300w
Industrial diseases, Compensation 234w
Tritium 279w

Morgan, Ms Julie
Questions
Children's Fund, Wales 335w
Companies House, Capita Group 25w, 398–9w
Disability living allowance 278w
Employment tribunals 282w
Government contracts, Corporate hospitality 25w
Older workers, Discrimination 190w
Open government 430w
Police, Helicopters 312–3w
Public lavatories 385w

Morley, Mr Elliot, Parliamentary Under-Secretary of State, Ministry of Agriculture, Fisheries and Food
Debates etc.
Land drainage, Somerset levels (03.05.00) 272–4
Questions
Agriculture, Waste disposal 141–2w
Cetaceans, Nature conservation 139–40w
Consultants, Ministry of Agriculture Fisheries and Food 455–7w
Disclosure of information, Ministry of Agriculture Fisheries and Food 252w
Electronic government, Ministry of Agriculture Fisheries and Food 454w
Fisheries 142w
Fisheries, Belgium 376–7w
Fisheries, EC grants and loans 249–50w
Fisheries, Irish Sea 250–1w
Forestry Commission, Pensions 428w
Harbour grant scheme 141w
Livestock, Exports 97w, 140w, 251–2w
Minimum wage, Ministry of Agriculture Fisheries and Food 252–3w
Offices, Ministry of Agriculture Fisheries and Food 139–40w, 252w
Rural development plans 140w

Morris, Rt Hon Ms Estelle, Minister for School Standards, Dept for Education and Employment
Questions
Class sizes 344–5w
Class sizes, Primary education 189–90w, 285–6
Class sizes, Worcester 292–3w
Education, Cumbria 89w
Education, Gloucestershire 276–7
Education, Per capita costs 506–9w
Education, Qualifications 178–9w
Education, Stoke on Trent 93w
Free school meals, Greater London 506w
General certificate of secondary education, Standards 395–6w
Gifted children, Mathematics 350w
Grant maintained schools, Finance 197–8w
Headteachers, Gloucestershire 187w
Headteachers, Pay 188–9w
Non-teaching staff, Pay 188w
Schools, Bureaucracy 186–7w
Schools, Complaints 186w
Schools, Finance 89–90w
Schools, Inspections 93w
Schools, Manpower 92–3w
Secondary education, Somerset 393–5w
Sixth form education 196–7w
Special education, Teachers 350w
Standard assessment tasks 345–6w
Standard assessment tasks, English language 346w
Teachers, Early retirement 178w
Teachers, Pay 184–5w, 187–8w
Unruly children 188w

Morris, Rt Hon Sir John
Debates etc.
Demonstrations, Greater London (02.05.00) 25

Mortgage relief
41w

Mortgages
Income support 417–9w

Moss, Mr Malcolm
Questions
Harbour grant scheme 141w

Mother and baby units
157–8w

Motor vehicles
Insurance 427w

Motorways
Accidents 227w
Lighting 226–7w
Noise 369–70w

Mountford, Kali
Questions
Yorkshire and Humberside Regional Development Agency 362–3w

***Mowlam, Rt Hon Marjorie**, Minister for the Cabinet Office*
Questions
Civil service, Codes of practice 314w
Civil service, Sick leave 433–4w
Departmental records, Security 486w
Disadvantaged 829
Drugs, Abuse 824–6
Drugs, Lancashire 429–31w
Drugs, Mass media 826–7
Duchy of Lancaster Benevolent Fund 314w
Genetically modified organisms 429w
Government departments, Modernisation 429–30w
Government departments, Operating costs 83w
Ministerial Group on Rural Affairs 86w
Ministerial policy advisors, Cabinet Office 315w
Open government 430w
Parliamentary questions 431w
Parliamentary Commissioner for Administration 210–1w
Rural areas, Bank services 84w
Rural areas, Planning 431–2w

Mudie, Mr George
Questions
Entry clearances, Appeals 523–4w

***Mullin, Mr Chris**, Parliamentary Under-Secretary of State, Dept of the Environment Transport and the Regions*
Sittings in Westminster Hall
Forests, Brands Hatch (09.05.00) 183–6wh
Questions
Air routes 102w, 360w
Air routes, Regional airports 361w
Air routes, USA 359w, 372–3w
Air traffic 266w
Air traffic control 266–8w
Air traffic control, EC countries 484w
Air traffic control, Training 266w
Aircraft, Exhaust emissions 358–9w
Aircraft, Safety 202w
Biodiversity 101w
Capital receipts initiative, Worcester 104w
Convention on International Trade in Endangered Species 103w
Empty property, Council tax 644
Empty property, Farms 107w
Ground water, Fees and charges 228w

***Mullin, Mr Chris**—continued*
Hazardous materials, Imports 103w
Home improvement agencies, Contracts 481w
Homelessness 106–7w, 634–5
Housing, Divorce 105w
Housing, Lone parents 386–7w
Multiple occupation, Licensing 485w
National Air Traffic Services 388w
National Air Traffic Services, Consultants 265w
National Air Traffic Services, Employee share ownership schemes 362w
National Air Traffic Services, Fees and charges 102w
National Air Traffic Services, Manpower 102–3w
Pollution, Prosecutions 481–2w
Rent Service 271w
Rents, Regulation 271–2w
Second homes 362w
Swanwick Air Traffic Control Centre 265w
Travelling people 485w
Waste disposal, Sheep dipping 514w
Water charges 386w

Multiple occupation
Licensing 485w

Murphy, Mr Jim
Questions
Drugs, Abuse 824

***Murphy, Rt Hon Paul**, Secretary of State for Wales*
Questions
Civic dignitaries, Wales 384w
Corus 285w
Disclosure of information, Office of the Secretary of State for Wales 80–1w
Information technology, Deeside 81w

Museums and galleries
Fees and charges 450–1w
Winchester 14w

MV Gaul
229w

National Air Traffic Services
388w
Consultants 265w
Employee share ownership schemes 362w
Fees and charges 102w
Manpower 102–3w
Shares 102–3w

National anthems
Schools 293w

National Audit Office
497
Electronic Data Systems 486w

National debt
420–1w

National Disability Council
195w

National Endowment for Science Technology and the Arts
319w

National grid for learning
286–7

National Health Service (Pension Scheme and Compensation for Premature Retirement) Amendment Regulations 2000
Debates etc.
(02.05.00) 120

National income
475w

National Institute for Clinical Excellence
45w

National insurance
Abuse 423w

National insurance contributions
426w
Females 419w
Rebates 148w

National Lottery
317w, 481–3, 487w
Arts 18w
Coastal areas 316w
Sports 18w

National parks authorities
Correspondence 229w

National Railway Museum
Locomotives 20w

National savings bonds
261w

National security
200w

National service
Petitions (11.05.00) 1110

National Union of Rail Maritime and Transport Workers
201w

National vocational qualifications
Prisons 309w

NATO
453w

Natural gas
135w

Nature conservation
Cetaceans 139–40w

Navy
Discharges 113–4w
Housing 114–6w
Portsmouth 115–6w

Neurology
Medical treatments 408–9w

New deal for 50 plus
280–2

New deal for communities
632–4

New deal for disabled people
193w

New deal for long term unemployed
185w

New deal for schools
92w
Shrewsbury 291–2w

New deal schemes
Finance 179–80w, 260w
Greater London 506w

New Scotland Yard
see Metropolitan Police

Newspaper press
Dept of Trade and Industry 183w

NHS
45w
Administration 459w
Air conditioning 338–9w
Finance 11–2, 42w, 58–60w, 144–5
Pay 408w
Private finance initiative 212w
Public appointments 43w, 57w
Recruitment 62w
Refrigeration 273–4w
Working hours 55w

NHS trusts
Greater London 326w

Nicholls, Mr Patrick
Debates etc.
Common agricultural policy (11.05.00) 1025–6
Sittings in Westminster Hall
Social services, Devon (02.05.00) 22–4wh, 27wh

Noise
Motorways 369–70w
Roads 484–5w

Non-domestic rates
643–4
Farms 107w

Non-governmental organisations
Burma 129w
Overseas aid 343w
Thailand 129w

Non-teaching staff
Pay 188w

Norfolk
Police (02.05.00) 29–36wh

Norman, Mr Archie
Questions
New deal for communities 632–3

North Atlantic Treaty Organisation
see NATO

North East region
Alcoholism 223w
Assisted areas 237w

North Sea oil
441w

North West region
Companies 230w

Northamptonshire
Dental services 458–9w
Hospitals 43w

Northern Ireland
Electoral systems 109w
Environment protection 288w
Farmers 373–4w
Fire services (10.05.00) 242–7wh
Firearms 491–2w
Monetary compensatory amounts 374w
Police 109w
Public appointments 373w
Public bodies 375w
Railways 286w
Sellafield 288–9w
Social Fund 108w
Terrorism 831
Water supply 198–9w

Northern Ireland Fire Brigade
Conditions of employment (10.05.00) 242–7wh

Northern Ireland Forum
Publications 457–8w

Northern Ireland government
Ministerial statements (08.05.00) 501–17

Northern Ireland Office
239w
Disclosure of information 15w
Internet 238–9w
Proof of identity 287–8w
Refugees 15w

Northern Ireland Parades Commission
see Parades Commission

Northern Ireland Prison Service
457w
Standards 199w

Northern Ireland Roads Service
Flags 374–5w

Northern Ireland Social Security Agency
Standards 492w

Northern region
Dept of Health 323–5w

Northumberland
Manufacturing industries 991–2

Norvic Clinic
Restraint techniques 78w

Nottingham City Hospital
Breast cancer 16–7

Nuclear fuel reprocessing
Sellafield 1–2w

Nuclear Non Proliferation Treaty
(03.05.00) 66–87wh

Nuclear submarines
Decommissioning 447–8w

Nuclear weapons
India 73w

Numeracy
Curriculum 194–5w

Nurses
7–8
Consultants 55w
Income 323w
Older workers 52–3w
Pay 326–7w
Resignations 57–8w
Training 52–3w

Nursing homes
Finance 49w

Oaten, Mr Mark
Questions
Museums and galleries, Winchester 14w
Private roads, Hampshire 4w

Oaths and affirmations
Gidley, Sandra (09.05.00) 658

O'Brien, Mr Mike, Parliamentary Under-Secretary of State, Home Office
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1126, 1138, 1147, 1168–76, 1181–2
Riot control weapons (12.05.00) 1188–90
Questions
Animal experiments 77–8w, 300w, 434–5w
Animal experiments, Cosmetics 78w
Animal experiments, Disclosure of information 210w
Animal experiments, Tobacco 152w
Elections, Direct mail 78w
Elections, Local government 522–3w
Electoral systems, Northern Ireland 109w
Global Cultural Diversity Congress 517w
Licensing laws 78–9w
Referendums 520w
Urban areas 80w
Voting methods, Internet 158w

O'Brien, Mr Stephen
Debates etc.
Common agricultural policy (11.05.00) 1105
Transport Bill, Programme motion and Rep (09.05.00) 780–1, 791–2
Questions
Business questions 1016
Hospitals, Waiting lists 63w
Zimbabwe, Overseas aid 127w

O'Brien, Mr William
Questions
Early years development plans 188w
Non-domestic rates 643–4
Pedestrian areas 106w
Pedestrian areas, Road traffic control 4–5w
Public appointments 432w

Occupational pensions
254w

Office of the Rail Regulator
Finance 105w

Office of the Secretary of State for Wales
Disclosure of information 80–1w

Offices
Ministry of Agriculture Fisheries and Food 139–40w, 252w

Official cars
Diplomatic service 68w

Official engagements
Prime Minister 109w, 420w

Official residences
Republic of Ireland 239–40w

Offshore funds
31w, 422w

Oil
Iraq 67w, 259–60w
Prices 400w
Sudan 29w

Older workers
Dept for Education and Employment 346–7w
Discrimination 90w, 190w
Nurses 52–3w

Omagh
Terrorism 108w, 238w

Ombudsman
Public sector 432w

ONE programme
414w
Females 479–80w

O'Neill, Mr Martin
Debates etc.
Rover Group (09.05.00) 647–8
Questions
Cars, Manufacturing industries 993

Open government
430w

Opencast mining
Industrial health and safety 370w

Operating theatres
Gases 326w

Ophthalmology
Royal Bolton Hospital 3–4

Opik, Mr Lembit
Debates etc.
Common agricultural policy (11.05.00) 1028, 1040, 1050
Northern Ireland government (08.05.00) 507–8
Transport Bill, Programme motion and Rep (09.05.00) 695
Sittings in Westminster Hall
Northern Ireland Fire Brigade, Conditions of employment (10.05.00) 243wh
Questions
Jobseeker's allowance 294–5w

Orange badge scheme
Correspondence 388w

Ordnance Survey
Standards 202w

Organic farming
Research 98w

Organic food
Fruit 246–7w

Organic Food and Farming Targets Bill 1999/2000
Debates etc.
2R order read (05.05.00) 472

Organised crime
European Police Office 331w
Russia 331w

Organophosphates
361w

Osborne, Ms Sandra
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 678–80, 711
Questions
Air traffic control, Scotland 143–4

OSPAR Commission
227w

Osteoporosis
15–6, 164–5w

Ottaway, Mr Richard
Debates etc.
Finance Bill, Com (03.05.00) 175–7, 183–91, 196, 204, 213, 217
Questions
Trams, Croydon 371w

Overdoses
Antidepressants 325w

Overpayments
Public bodies 34w

Overseas aid
130w
East Africa 126w
Eritrea 129w
Ethiopia 82w, 125–6w, 129w, 224–5w
Expenditure 126–7w
Gambia 216w
Horn of Africa 126w
India 126w, 488w
Non-governmental organisations 343w
Palestinians 130w
Pitcairn Islands 401w
Sierra Leone 489w
Voluntary work 124w
Zimbabwe 127w, 225–6w

Overseas trade
Ethics (09.05.00) 659–60
India 241–2w

Overseas workers
Doctors' list of patients 63w

Packaging
Recycling 362w
Waste disposal 1005–6

Page, Mr Richard
Sittings in Westminster Hall
Engineering (11.05.00) 289–94wh
Questions
Climate change levy 1005

Paice, Mr James
Debates etc.
Common agricultural policy (11.05.00) 1031, 1035, 1098–103
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1124–5, 1136
Questions
Tax allowances, Pensions 475w

Pakistan
Forced labour 489w
Visas 121w

Palestinians
Overseas aid 130w

Palmer, Dr Nick
Debates etc.
Finance Bill, Com (02.05.00) 42, 48–50, 59–61
Questions
Business questions 297
Schools, Information technology 185w

Parades Commission
286–7w
Business interests 457w

Parental leave
Income support 276w

Parish councils
7w

Parking
Taxation 363w

Parkinson's disease
466–7w

Parliament
Employment agencies 215–6w
Health services 504–5w
Security 505w

Parliamentary Commissioner for Administration
210–1w

Parliamentary questions
431w
British Nuclear Fuels 66w, 132–3w

Parole
79–80w

Partnership Fund
500w

Part-time employment
EC law 341–2w
Jobseeker's allowance 380w

Passport Agency
see United Kingdom Passport Agency

Passports
157w
Fees and charges 519w

Patent Office
136–7w

Paterson, Mr Owen
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 420–1, 435–6
Common agricultural policy (11.05.00) 1030, 1037–8, 1040–1, 1083–4, 1096–8, 1104
Transport Bill, Rep and 3R (10.05.00) 875–82, 885
Sittings in Westminster Hall
Crime, Rural areas (09.05.00) 169–70wh
Questions
Business questions 298–9, 1021
Hospitals, Waiting lists 2–3
Manufacturing industries, Northumberland 992
Ministerial policy advisors 430w
Redundant churches, Sales 498
Trans-European networks 358w

Patients' rights
8–10, 42w

Patrol craft
Fishing grounds 511w

Peace keeping operations
Balkans 13w
Pay 449w
United Nations 835–6

Pearson, Mr Ian
Debates etc.
Rover Group (09.05.00) 655

Pedestrian areas
106w
Road traffic control 4–5w

Pendry, Mr Tom
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 421–2, 430–1, 436–7, 439–41, 446, 455–6, 459–62
Questions
Shipman, Harold 330w

Pensioners
Income 39w, 213w, 275–6w, 278–9w, 833–5
Income support 141–2, 255w, 833
Luton 318w

Pensions
Emergency services 435w
European Parliament members 147w
Forestry Commission 428w
Mining 138w, 142–3, 398w
Payments 40–1w
Tax allowances 475w

Performance and Innovation Unit
109–10w
Post offices 492w

Perham, Ms Linda
Sittings in Westminster Hall
Cyprus (02.05.00) 5–8wh
Questions
Deregulation 1007–8
Elderly 827–8
Navy, Discharges 113–4w
Older workers, Discrimination 90w
Primary health care 44–5w
"Winning the Generation Game" 16w

Personal and social education
90w

Personal income
471w
Divorce 150–1w

Personal pensions
32w

Personal records
Dept of Health 47w, 321w

Personnel management
Government departments 86w
Royal Shrewsbury Hospital 462w

Peru
Religious freedom 241w
Visas 240w

Pest control
Strychnine 428w

Pesticides Safety Directorate
Standards 144–5w

Petitions
National service (11.05.00) 1110

Pets
Cremation 6–7w, 201w

Pickles, Mr Eric
Questions
Tuberculosis 166–7w
Tuberculosis, Health services 166–7w
Tuberculosis, Vaccination 166–7w

Pickthall, Mr Colin
Questions
Bovine spongiform encephalopathy, Disease control 96w

Pigs
248w
Subsidies 285w

Pike, Mr Peter L
Debates etc.
Assisted areas, Burnley (08.05.00) 620–3
Transport Bill, Programme motion and Rep (09.05.00) 689, 699–700
Zimbabwe (03.05.00) 158
Questions
Churches, Charitable donations 500
Motorways, Accidents 227w
Motorways, Lighting 226–7w
Patients' rights 10
Railway stations, Disabled 369w
Rover Group 146–7
Wembley Stadium 315w

Pinochet, Augusto
209w

Pitcairn Islands
Overseas aid 401w

Planning
Rural areas 431–2w, 627–9
Urban areas 482w

Planning permission
Aerials 107w
Midlands Electricity (09.05.00) 194–200wh
Power stations 133–4w

Plaskitt, Mr James
Questions
Pensioners, Income support 141–2

Plutonium
USA 14w, 120–1w

Points of order
Rulings and statements (03.05.00) 164

Police
Helicopters 312–3w
Insignia 109w
Manpower (03.05.00) 45–65wh, 297w, 435w, 836
Norfolk (02.05.00) 29–36wh
Northern Ireland 109w
Pay 146
Recruitment 518w
Somerset 405w

Police Foundation
Advisory Council on the Misuse of Drugs 297w

Political refugees
see Refugees

Politics and government
Zimbabwe 257w

Pollard, Mr Kerry
Questions
Small businesses 1003

Pollution
Prosecutions 481–2w

Pond, Mr Chris
Questions
Community health services 44w
Council tax, Kent 837
Small businesses, Kent 998–9

Portcullis House
Contracts 221w

Portillo, Mr Michael
Questions
Climate change levy 260w
Government departments, Standards 475–6w
Individual savings accounts 476w
New deal schemes, Finance 260w

Portillo, Mr Michael—continued
Occupational pensions 254w
Tax yields, Companies 425w

Portsmouth
Navy 115–6w

Post offices
184w, 438–9w, 994–8
Government assistance 439w
Greater London 24w
Performance and Innovation Unit 492w
Rural areas 439w, 492w
Standards 439w

Postal services
284w

Poverty
Children 124w, 381w, 424w

Power stations
Planning permission 133–4w

Pregnancy
Ligaments (03.05.00) 88–94wh

Prentice, Mr Gordon
Debates etc.
Zimbabwe (03.05.00) 159
Questions
Animal experiments 300w
Archer of Weston-Super-Mare, Lord 155w
Business questions 1019–20
Cellular phones, Licensing 503w
Contracts, Dept of Trade and Industry 504w
Dental services 46w
Drugs, Crime 154–5w
Duchy of Lancaster Benevolent Fund 314w
Film, India 484
Hunting 495–6
Labour Liberal Democrats Joint Consultative Committee 16w
Land, Ownership 99w
Metropolitan Police, Audio equipment 154w
National Air Traffic Services, Employee share ownership schemes 362w
National Air Traffic Services, Fees and charges 102w
National Air Traffic Services, Manpower 102–3w
National Railway Museum, Locomotives 20w
Performance and Innovation Unit, Post offices 492w
Post offices 995
Post offices, Rural areas 439w
Privatisation 214–5w
Royal train 5w, 437w
Social security benefits, Take-up 275w
South Asia, Forced labour 128w
VAT, Companies 230w

Prerogative of mercy
Lewis, Richard 310w

Pre-school education
190–3w, 290–1w
Finance 91w, 354–6w
Inner city areas 90–1w

***Prescott, Rt Hon John**, Deputy Prime Minister and Secretary of State for the Environment Transport and the Regions*
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 666–8, 697, 706–15
Questions
MV Gaul 229w
New deal for communities 632–4
Road works 636–8

Prescription drugs
Prices 409w

Prescription Pricing Authority
Administrative delays 409w

Prescriptions
171w

***Primarolo, Ms Dawn**, Paymaster General*
Debates etc.
Finance Bill, Com (03.05.00) 177–80, 189, 202, 210–7, 233–40, 250
Questions
Child care tax credit 422w
Children's Fund, Wales 335w
Double taxation 31w
Income tax 426w
Minimum wage 422w
National insurance, Abuse 423w
National insurance contributions 426w
National insurance contributions, Females 419w
National insurance contributions, Rebates 148w
Offshore funds 31w, 422w
Poverty, Children 424w
Self-assessment of tax, Internet 426–7w
Tax allowances, Companies 334–5w
Tax avoidance, Self-employed 30–1w, 468w
Tax yields, Companies 425w
Taxation 30w
Taxation, EC action 334w
Taxation, EC countries 31w
Taxation, Reform 33w
UK trade with EC 334w, 400–1w
VAT 32w
VAT, Companies 230w
VAT, Hotels 32w
Welfare tax credits, Telephone services 423–4w
Working families tax credit 32–3w, 230–1w, 334w, 425w
World War II, Compensation 262w

Primary care groups
Mental health services 51w
Public appointments 51–2w

Primary education
Class sizes 189–90w, 285–6
Developing countries 137–8

Primary health care
44–5w

Prime Minister
Aviation 493w
Official engagements 109w, 420w
Personnel 112w

Prior, Mr David
Sittings in Westminster Hall
Crime, Rural areas (09.05.00) 159wh, 164wh
Police, Norfolk (02.05.00) 36wh

Prison accommodation
Disabled 157w

Prison sentences
154w
Long Lartin Prison 153w

Prison Service
522w

Prisoners
297–8w
Macedonia 201w, 496w
Maternity pay 158w
Pay 210w

Prisoners of war
Compensation 7w, 111w, 143

***Prisoners of war**—continued*
Far East 7w, 111w, 143

Prisoners' release
Health 311w

Prisons
Discipline 204–9w
Employment 301–9w
National vocational qualifications 309w
Operating costs 522w
Visits 209w

Private finance initiative
476w
Local government services 268–71w
NHS 212w

Private roads
Hampshire 4w

Private sector
Health services 4–7

Privatisation
214–5w

Probation orders
156w

Procurement
Defence equipment 118w
EH101 helicopters 510–1w
House of Commons 391w

Proof of identity
Cabinet Office 82w
Dept for Culture Media and Sport 20w
Dept for Education and Employment 197w
Dept for International Development 82w
Dept of Health 55w
Dept of Social Security 38–9w
Dept of the Environment Transport and the Regions 2w
Dept of Trade and Industry 131w
Foreign and Commonwealth Office 199–200w
Home Office 296w
Ministry of Defence 112w
Northern Ireland Office 287–8w
Scottish Office 401–2w
Treasury 214w

Property Transactions Bill 1999/2000
Debates etc.
2R order read (12.05.00) 1183

Prosecutions
Pollution 481–2w

Prosser, Mr Gwyn
Questions
Livestock, Exports 140w, 251–2w
Royal Fleet Auxiliary, Pay 469w

Prostate cancer
Research 171–2w
Screening 458w
Waiting lists 171w

"Protecting Children Supporting Parents Consultation Paper"
56w

Public appointments
432w
Appointments Commission 181–2w
British Nuclear Fuels 132–3w, 342w
Council for Science and Technology 24–5w
Employment tribunals 28w
General Osteopathic Council 460–1w
NHS 43w, 57w
Northern Ireland 373w
Primary care groups 51–2w
Royal Liverpool Children's Hospital and Community NHS Trust 490w
Western European Union 450w

Public bodies
Audit 496–7
Northern Ireland 375w
Overpayments 34w

Public finance
Audit 496–7

Public House Names Bill 1999/2000
Debates etc.
2R order read (05.05.00) 472, (12.05.00) 1183

Public inquiries
Dept of the Environment Transport and the Regions 483w

Public lavatories
385w

Public libraries
Standards 487w

Public opinion
Government departments 486w

Public order offences
Sentencing 403–4w

Public records
Flynn, Errol 76–7w

Public safety radio communications project
330w, 404–5w

Public service
Standards 79w

Public transport
Wembley Stadium 6w

Pupils
Clothing 352w

Purchase, Mr Ken
Debates etc.
Rover Group (09.05.00) 656

PW Allen
Exports 28w

Qualifications and Curriculum Authority
Publications 293w

Quality control
British Nuclear Fuels 133w
Sellafield 131–3w

Questionnaires
UK membership of EC 67–8w

***Quin, Rt Hon Ms Joyce**, Minister of State, Ministry of Agriculture Fisheries and Food*
Debates etc.
Common agricultural policy (11.05.00) 1067–8, 1103–6
Questions
Agriculture, Climate change levy 251w, 427–8w
Beef, Imports 64w
Bovine spongiform encephalopathy 245w
Bovine spongiform encephalopathy, Disease control 140–1w
Bovine spongiform encephalopathy, Research 99w, 375–6w
Bovine tuberculosis 377w
Bovine tuberculosis, Disease control 376w
Common agricultural policy 99w
Fisheries, Climate change levy 251w
Genetically modified organisms, Crops 249w
Genetically modified organisms, Disclosure of information 142w
Hill livestock allowances 97w
Intervention stocks 98w
Land, Ownership 99w
Lavender 98w
Milk, Imports 100w

***Quin, Rt Hon Ms Joyce**—continued*
Milk, Prices 453–4w
Organic farming, Research 98w
Pest control, Strychnine 428w
Pigs, Subsidies 285w
Research, Ministry of Agriculture Fisheries and Food 98–9w
Rural areas, Grants 252w
Sheep 97w
Sheep, Animal breeding 96–7w
Slaughterhouses 96w
Slaughterhouses, Waste disposal 377w

Quinn, Mr Lawrie
Questions
Electronic government 829–30
Seasonal workers 1001–2
Tourism, Coastal areas 495

Race relations
Greater London 402–3w

Racial discrimination
Education 180w
Government departments 519w

Radiation exposure
Exservicemen 329w, 448–9w
War pensions 496–8w

Radice, Rt Hon Giles
Debates etc.
Finance Bill, Com (03.05.00) 250

Radio frequencies
Cellular phones 502w
Emergency services 399w

Radioactive materials
Japan 236–7w

Radioactive wastes
Sellafield 133w

RAF Feltwell
513w

RAF Fylingdales
513w

RAF Menwith Hill
513w

RAF Staxton Wold
13w

Rail Regulator
see Office of the Rail Regulator

Railway network
Wales 228w, 483w

Railway stations
Cheam 359w
Disabled 369w

Railways
Franchises 228w
Freight 436–7w
Northern Ireland 286w
Safety 360w

Raja, Abdul Qayyum
153–4w

Rammell, Mr Bill
Debates etc.
Common agricultural policy (11.05.00) 1076–81
Finance Bill, Com (03.05.00) 171–2, 192–3
Transport Bill, Rep and 3R (10.05.00) 973–4
Questions
Millennium Exhibition 487
Urban areas, Disadvantaged 641–2

Randall, Mr John
Sittings in Westminster Hall
Police, Manpower (03.05.00) 45–8wh, 62wh

Rapson, Mr Syd
Questions
Millennium landmark projects 485–6
Patients' rights 8–9

Raynsford, Mr Nick, Minister of State, Dept of the Environment Transport and the Regions
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 728–35, 739, 741, 743, 745–8, 805
Transport Bill, Rep and 3R (10.05.00) 861–4, 903–9, 913–4, 972–5
Questions
Greenbelt 359w
Housing, South East region 358w, 629–30
Urban areas, Planning 482w

Reading
Local government 835

Recess motions
(02.05.00) 120

Recruitment
Child psychiatrists 62–3w
Clinical psychologists 62–3w
NHS 62w
Police 518w
Teachers 277–9

Recycled Content of Newsprint Bill 1999/2000
Debates etc.
Order for consideration read (05.05.00) 472, (12.05.00) 1183

Recycling
Packaging 362w

Redundancy
Blaenau Gwent 836

Redundant churches
Sales 498

Redwood, Rt Hon John
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 696–8, 708–9
Questions
Cars, Government assistance 444w
Cars, Manufacturing industries 235w
Civil servants, Dept of Trade and Industry 136w, 183w
Coal, Government assistance 236w
EC grants and loans, Manufacturing industries 237–8w
Eurocorps 264w
Food, EC action 63w, 175–7w
Ford Motor Company 234–5w
Gas fired power stations 136w
Lucas Varity 238w
"Protecting Children Supporting Parents Consultation Paper" 56w
Regional selective assistance 236w
Rover Group 138w, 183w, 231–3w
Rover Group, Longbridge 232w
Small businesses, Finance 234w
Taxation, EC action 334w
Taxation, EC countries 31w
UK trade with EC 334w
VAT 32w

Reed, Mr Andrew
Sittings in Westminster Hall
Sports (04.05.00) 124wh, 128wh, 150–4wh
Questions
Developing countries, Debts 132–3

Referendums
520w

Refrigeration
NHS 273–4w

Refugees
141, 155–6w, 516w, 837–8
Afghanistan 517–8w
Channel tunnel railway line 202–3w
Dept for Education and Employment 89w
Expenditure 145
Fraud 516–7w
Government departments 493w
Greater London 173–5w
Home Office 332–4w
Immingham 204w
Kosovo 75w
Northern Ireland Office 15w
Social security benefits 296w
Torbay 80w
Voucher schemes 515–7w

Regional airports
Air routes 361w

Regional development agencies
357–8w
Finance 482–3w

Regional enterprise grants
27–8w

Regional planning and development
South East region 361w

Regional selective assistance
27–8w, 236w, 999–1001

Regulation of Investigatory Powers Bill 1999/2000
Debates etc.
Rep and 3R (08.05.00) 531–618

Regulatory impact assessments
Climate change levy 34w

Reid, Rt Hon Dr John, Secretary of State for Scotland
Questions
Assisted areas, Scotland 378–9w
Proof of identity, Scottish Office 401–2w

Religious freedom
Peru 241w

Remploy
505w

Rendel, Mr David
Questions
National Audit Office 497
Speed limits 363w

Renewable Energy Bill 1999/2000
Debates etc.
1R (02.05.00) 37–40

Rent Service
271w

Rents
Regulation 271–2w

Rents Act (Maximum Fair Rent) Order 1999
Questions
272w

Republic of Ireland
Official residences 239–40w

Reserve forces
509–10w

Resignations
Nurses 57–8w

Restraint techniques
Norvic Clinic 78w

Retail trade
Cars 445–6w, 503w

Retirement Income Working Party
39w

Riot control weapons
(12.05.00) 1185–90

Road traffic
Greater London 836

Road Traffic Bill 1999/2000
Debates etc.
2R order read (05.05.00) 472, (12.05.00) 1184

Road traffic control
229w
Pedestrian areas 4–5w

Road works
4w, 371–2w, 636–8

Roads
Noise 484–5w
Tolls 271w

Roads Service
see Northern Ireland Roads Service

Robathan, Mr Andrew
Debates etc.
Defence (04.05.00) 302–3, 306, 314
Members' interests, Points of order (09.05.00) 658
Sierra Leone (08.05.00) 524–5
Questions
Cancer, Health services 13
National Union of Rail Maritime and Transport Workers 201w
Zimbabwe, Overseas aid 127w

Robertson, Mr Laurence
Questions
Animal experiments, Cosmetics 78w
Coroners 80w
Ethiopia, EC aid 81–2w
Ethiopia, Overseas aid 82w, 125–6w
Gold and foreign exchange reserves 425w
Headteachers, Gloucestershire 187w
Hospitals, Food 48–9w
Housing, Construction 5w
Licensing laws 78–9w
Milk, Imports 100w
National savings bonds 261w
Nursing homes, Finance 49w
Peru, Religious freedom 241w
Public bodies, Overpayments 34w
PW Allen, Exports 28w

Robinson, Mr Geoffrey
Debates etc.
Rover Group (09.05.00) 651

Robinson, Mr Peter D
Questions
Military bases, Fermanagh 15–6w

Roche, Mrs Barbara, Minister of State, Home Office
Questions
Deportation 515w
Deportation, Homosexuality 204w
Entry clearances, Appeals 523–4w
Illegal immigrants 310–1w
Immigration, Administrative delays 299–300w, 515w
Immigration, Applications 434w, 516w
Passports 157w
Passports, Fees and charges 519w
Refugees 155–6w, 516w
Refugees, Channel tunnel railway line 202–3w
Refugees, Immingham 204w
Refugees, Kosovo 75w

***Roche, Mrs Barbara**—continued*
Refugees, Social security benefits 296w
Refugees, Voucher schemes 515–7w
Schengen Agreement 331–2w
Schengen Agreement, Information technology 209w
United Kingdom Passport Agency 519–20w

Roe, Mrs Marion
Questions
Parliament, Health services 504–5w

Rogers, Mr Allan
Questions
Industrial diseases, Compensation 444w

Romsey
By-elections 833–5

Rooker, Rt Hon Jeff, Minister of State, Dept of Social Security
Questions
Child Support Agency, Computers 253–4w
Child Support Agency, Manpower 253w
Civil servants, Dept of Social Security 37w
Committees, Dept of Social Security 39w
Disability living allowance 123w
Grants, Dept of Social Security 213w
Mortgage relief 41w
Occupational pensions 254w
Pensioners, Income 39w, 275–6w
Pensioners, Income support 255w
Pensions, Payments 40–1w
Proof of identity, Dept of Social Security 38–9w
Retirement Income Working Party 39w
Social security benefits, Abuse 34–5w, 255w, 414–7w
Social security benefits, Automated credit transfer 276–7w
Social security benefits, Payments 39w
Stakeholder pensions 381w
State earnings related pension scheme, Compensation 39–40w
State retirement pensions, Uprating 40w, 275w, 480w
Welfare Fraud Ministerial Group 37–8w
Winter fuel payments 254–5w

Ross, Mr Ernie
Questions
Council of Ministers 69–71w

Ross, Mr William
Debates etc.
Demonstrations, Greater London (02.05.00) 31
Finance Bill, Com (02.05.00) 69–73
Questions
Firearms, Northern Ireland 491–2w
Northern Ireland Forum, Publications 457–8w
Nurses 8
Terrorism, Omagh 108w, 238w

Rover Group
138w, 146–7, 182–3w, 231–3w, 442w, 503w
Longbridge 138–9, 232w, 441w, 838
Ministerial statements (09.05.00) 645–57

Rowe, Mr Andrew
Debates etc.
Common agricultural policy (11.05.00) 1078–9
Ethical Trading Bill, 1R (09.05.00) 659–60
Questions
Developing countries, Primary education 137–8

Rowlands, Mr Ted
Debates etc.
Zimbabwe (03.05.00) 157

Roy, Mr Frank
Questions
Business questions 1013–4

Royal Bolton Hospital
Ophthalmology 3–4

Royal Commission on Long-term Care
see Long-Term Care Royal Commission

Royal Fleet Auxiliary
Pay 469w

Royal Liverpool Children's Hospital and Community NHS Trust
Public appointments 490w

Royal Shrewsbury Hospital
Personnel management 462w

Royal train
5w, 437w

Royal Ulster Constabulary
108–9w

Royal Victoria Hospital Belfast
Repairs and maintenance 287w

Ruane, Mr Chris
Questions
Clinical psychologists, Recruitment 62–3w
Medical laboratory scientific officers, Death rate 62w
Medical laboratory scientific officers, Pay 61–2w
Medical laboratory scientific officers, Training 61w
Milk, Marketing 28–9w
NHS, Recruitment 62w

Ruddock, Joan
Questions
Genetically modified organisms, Crops 212w, 249w, 436w
Genetically modified organisms, Disclosure of information 142w
Genetically modified organisms, Maize 49w

Ruffley, Mr David
Debates etc.
Finance Bill, Com (02.05.00) 60, 72–5
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 565–8, 570
Questions
Hospitals, Waiting lists 45w

Rural Affairs Ministerial Group
see Ministerial Group on Rural Affairs

Rural areas
Bank services 84w
Council tax 639–41
Crime (09.05.00) 157–78wh
Grants 252w
Mental health 246w
Planning 431–2w, 627–9
Post offices 439w, 492w

Rural Development Commission
(08.05.00) 618

Rural development plans
140w, 242w

Russell, Bob
Debates etc.
Crimestoppers (09.05.00) 815–8, 820
Sittings in Westminster Hall
Sports (04.05.00) 132–9wh
Questions
Birds of prey 387–8w
Defence Clothing and Textiles Agency 119–20w
Football 316–7w
In vitro fertilisation 10–1
Prescriptions 171w

***Russell, Bob**—continued*
Wembley Stadium 493
Wembley Stadium, Public transport 6w
Work permits, Cricket 349–50w

Russell, Ms Christine
Questions
Patent Office 136–7w

Russia
Organised crime 331w

Ryan, Ms Joan
Debates etc.
Demonstrations, Greater London (02.05.00) 31

Safety belts
Buses 3–4w

St Aubyn, Mr Nick
Debates etc.
Zimbabwe (03.05.00) 161–2
Sittings in Westminster Hall
School leaving, Voluntary work (10.05.00) 221–7wh, 231–3wh
Questions
Mayor of London, Elections 145–6
Overseas aid, Voluntary work 124w

St Gregory's School Cheltenham
90w

Salisbury Plain
118w

Salmond, Mr Alex
Questions
Gordon and Innes 29w
Housing benefit, Earnings rules 38w
Minimum wage, Ministry of Agriculture Fisheries and Food 252–3w
State retirement pensions, Uprating 40w
Television, Licensing 20w

Salter, Mr Martin
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 684–6
Questions
Local government, Reading 835

Sanctions
258w
Iraq 121w, 240–1w
Serbia 111w

Sanders, Mr Adrian
Questions
Diabetes, Health services 460w

Sarwar, Mr Mohammad
Questions
Shipbuilding 501w

Savidge, Mr Malcolm
Debates etc.
Defence (04.05.00) 321, 353, 364–8
Sittings in Westminster Hall
Nuclear Non Proliferation Treaty (03.05.00) 77–81wh
Questions
Developing countries, Debts 131–2
United Kingdom Passport Agency, Business plans 223w

Sawford, Mr Phil
Questions
Post offices 996
Sure start programme 287–8

Sayeed, Mr Jonathan
Questions
Hospitals, Computers 177w
Police, Manpower 836
Schools, Bureaucracy 186–7w

Schengen Agreement
331–2w
Information technology 209w

School leaving
Voluntary work (10.05.00) 221–41wh

School meals
343w

School milk
163w

Schools
Arts 317w
Bureaucracy 186–7w
Complaints 186w
Finance 89–90w
Information technology 92w, 185w, 283–5
Inspections 93w
Manpower 92–3w
National anthems 293w
Sports 317–8w

Science
(11.05.00) 265–300wh
EC action 485–6w

Scotland
Air traffic control 143–4
Assisted areas 378–9w
Carers 409w
Electricity generation 280w

Scotland Yard
see Metropolitan Police

Scottish Office
Proof of identity 401–2w

Sea Harrier aircraft
Electronic equipment 512w

Sea King helicopters
Electronic equipment 512w

Seasonal workers
1001–2

Second homes
362w

Secondary education
Somerset 393–5w
Southwark (05.05.00) 473–80
Standards 352–3w

Secondment
Foreign and Commonwealth Office 66–7w

Secure training orders
299w

Security
Departmental records 88w, 486w
Indonesia 453w
Parliament 505w

Self-assessment of tax
Internet 426–7w

Self-employed
Tax avoidance 30–1w, 439w, 468w

Sellafield
295w
Northern Ireland 288–9w
Nuclear fuel reprocessing 1–2w
Quality control 131–3w
Radioactive wastes 133w
Safety 281–2w

Sentencing
Burglary 404w
Crimes against property 403–4w
Crimes of violence 404w
Public order offences 403–4w

Serbia
Sanctions 111w

Sex Discrimination (Amendment) Bill 1999/2000
Debates etc.
2R order read (12.05.00) 1183

Shares
National Air Traffic Services 102–3w

Sheep
97w
Animal breeding 96–7w

Sheep dipping
Waste disposal 514w

Sheerman, Mr Barry
Questions
Defence Evaluation and Research Agency 10–2w
Depressive illnesses, Young people 211w
Electronic government 429w
Health, Statistics 46w
Influenza, Vaccination 170w
Motorways, Noise 369–70w
Regional development agencies 357–8w

Sheldon, Rt Hon Robert
Questions
Audit, Public bodies 496–7
Audit, Public finance 496–7
Electronic Data Systems, National Audit Office 486w
National Audit Office 497

Shephard, Rt Hon Gillian
Sittings in Westminster Hall
Crime, Rural areas (09.05.00) 157–61wh, 166wh
Police, Manpower (03.05.00) 48–51wh, 57wh, 60wh, 63wh

Shepherd, Mr Richard
Debates etc.
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 551
Transport Bill, Programme motion and Rep (09.05.00) 663–6

Shipbuilding
440w, 501w, 835
Warships 115–6w

Shipley, Ms Debra
Debates etc.
Rover Group (09.05.00) 653

Shipman, Harold
330w

Shipping
Safety 498–9w

***Short, Rt Hon Clare**, Secretary of State for International Development*
Questions
Africa, Droughts 81w
Burma, Non-governmental organisations 129w
Children, Employment 124w
Commonwealth Development Corporation 129–30w
Developing countries, Arms trade 135–6
Developing countries, Debts 125w, 131–4
Developing countries, Food 487–8w
Developing countries, Primary education 137–8
East Africa, Overseas aid 126w
Ethiopia, EC aid 81–2w
Ethiopia, Overseas aid 82w, 125–6w, 129w
Gambia, Overseas aid 216w
Horn of Africa, Overseas aid 126w
India, Overseas aid 126w, 488w
Iraq, Water supply 128w
Kosovo, Mines 129w
Malaria 128–9w

***Short, Rt Hon Clare**—continued*
Overseas aid 130w
Overseas aid, Expenditure 126–7w
Overseas aid, Voluntary work 124w
Palestinians, Overseas aid 130w
Proof of identity, Dept for International Development 82w
South Asia, Forced labour 128w
Sri Lanka 130–1
Zimbabwe, Overseas aid 127w

Shrewsbury
New deal for schools 291–2w

Shropshire
Athletics 452w, 486w
Health services 161–3w
Medical records 60–1w

Sick leave
Civil service 433–4w
Ministry of Defence Police 14–5w
Students 256w

Sierra Leone
329w
Armed conflict 488w
Ministerial statements (08.05.00) 518–29
Overseas aid 489w

Simpson, Mr Alan
Questions
Atomic Weapons Establishment 8w
Capital investment 420w
Lockheed Martin, Safety 7–8w
Trident 112w

Simpson, Mr Keith
Sittings in Westminster Hall
Police, Norfolk (02.05.00) 32wh
Questions
Defence equipment, Procurement 118w

Single parents
see Lone parents

Sixth form education
196–7w
Expenditure 217w

Skinner, Mr Dennis
Debates etc.
Ministerial statement intervention (09.05.00) 652
Questions
Regional selective assistance 1001

Slaughterhouses
94–6w
Waste disposal 377w

Sleeping rough
630–2

Slimming
Drugs 409w

Small Business Council
342w

Small businesses
1003–4
Equal opportunities 443w
Finance 234w, 499–500w
Kent 998–9

***Smith, Rt Hon Andrew**, Chief Secretary to the Treasury*
Questions
Buildings, Treasury 231w
Contracts, EC law 467–8w
European Parliament members, Pensions 147w
Government departments, Assets 424w
Government departments, Standards 475–6w
National debt 420–1w
New deal schemes, Finance 260w

Smith, Rt Hon Andrew*—*continued
Private finance initiative 476w
Privatisation 214–5w
Royal Fleet Auxiliary, Pay 469w
Sustainable development 147–8w

Smith, Angela
Questions
Asthma, Research 462–3w
Health services, Private sector 5
Land, Ministry of Defence 118w
Regional development agencies, Finance 482–3w
Salisbury Plain 118w
Urban areas, Planning 482w

***Smith, Rt Hon Chris**, Secretary of State for Culture Media and Sport*
Questions
Digital broadcasting 319w
Digital broadcasting, Wales 318w
Film Council 21w
Football, Television 315w
Millennium landmark projects 484–6
National Lottery 317w, 481–3
National Lottery, Coastal areas 316w
Proof of identity, Dept for Culture Media and Sport 20w
Public libraries, Standards 487w
Wembley Stadium 492–4

***Smith, Jacqui**, Parliamentary Under-Secretary of State, Dept for Education and Employment*
Questions
Curriculum, Numeracy 194–5w
Education, Racial discrimination 180w
Ethnic minority achievement grant 344w
Free school meals 352w
Health education, Drugs 294w
New deal for schools 92w
New deal for schools, Shrewsbury 291–2w
Qualifications and Curriculum Authority, Publications 293w
St Gregory's School Cheltenham 90w
School meals 343w
Schools, Information technology 92w
Schools, National anthems 293w
Secondary education, Standards 352–3w
Special education, Assessments 90w
Special education, Closures 353–4w
Special education, Information technology 91–2w
Standard assessment tasks 293–4w

Smith, Mr John
Debates etc.
Cardiff Airport (02.05.00) 121–4
Transport Bill, Programme motion and Rep (09.05.00) 684, 694
Questions
Civil servants, Ethnic groups 823–4
Consumers, Protection 1002–3
New deal for long term unemployed 185w

Smith, Mr Llew
Questions
British Nuclear Fuels, Industrial health and safety 342w
British Nuclear Fuels, Parliamentary questions 66w, 132–3w
British Nuclear Fuels, Public appointments 132–3w
British Nuclear Fuels, Quality control 133w
Plutonium, USA 14w, 120w
Power stations, Planning permission 133–4w
Radioactive materials, Japan 236–7w
Redundancy, Blaenau Gwent 836
Sellafield 295w
Sellafield, Nuclear fuel reprocessing 1–2w

Smith, Mr Llew*—*continued
Sellafield, Quality control 133w
Sellafield, Radioactive wastes 133w
Tritium 118–9w

Smith, Sir Robert
Debates etc.
Finance Bill, Com (02.05.00) 76, (03.05.00) 206–7, 214
Transport Bill, Programme motion and Rep (09.05.00) 733
Transport Bill, Rep and 3R (10.05.00) 897–8
Questions
Electricity generation, Scotland 280w

Smoking
Advisory services 335–7w

Smyth, Rev Martin
Questions
Burma, Non-governmental organisations 129w
Business questions 1014
Drugs, Mass media 826–7

Snape, Mr Peter
Debates etc.
Ministerial statement intervention (09.05.00) 655
Rover Group (09.05.00) 649
Transport Bill, Programme motion and Rep (09.05.00) 792–3, 796, 806–7
Transport Bill, Rep and 3R (10.05.00) 845–51, 855, 857–8, 875, 878–82, 977–8

Soames, Mr Nicholas
Debates etc.
Computer viruses, Points of order (04.05.00) 386
Defence (04.05.00) 314, 323, 341, 372–4, 377
Northern Ireland government (08.05.00) 515

Social Exclusion Unit
110–1w, 419w

Social Fund
411–2w
Northern Ireland 108w

Social rented housing
Digital broadcasting 211w

Social Security Agency for Northern Ireland
see Northern Ireland Social Security Agency

Social security benefits
Abuse 34–5w, 255w, 414–7w
Automated credit transfer 276–7w
Carers 213–4w
Eligibility 198w
Payments 39w
Refugees 296w
Take-up 275w
Widowed people 277w

Social services
Devon (02.05.00) 20–8wh, 222w, 268w
Expenditure 222w

Somerset
Education 508–9w
Police 405w
Secondary education 393–5w

Somerset levels
Land drainage (03.05.00) 269–74

Sopley Camp
76w

South Asia
Forced labour 128w

South East region
Housing 358w, 629–30
Regional planning and development 361w

Southend
Tourism (09.05.00) 187–93wh

Southwark
Secondary education (05.05.00) 473–80

Spain
Visas 66w

Speaker and deputies
Debates etc.
Amendments and new clauses (05.05.00) 397, 409, 433, 441, 447, 452, (08.05.00) 531, 537, 560, 582, 590, 592, 600, 610, (09.05.00) 669, 728, 786, 804, (10.05.00) 896, 912, (11.05.00) 1024, (12.05.00) 1119, 1177
Business motions (02.05.00) 120
Conduct of proceedings (03.05.00) 130, 142, 149, (04.05.00) 328, (05.05.00) 408, 425, 439, (08.05.00) 511, 517, (09.05.00) 632, 675, 710, 713, 741, 815, (10.05.00) 834, 860, 874–6, 939, (11.05.00) 1043, 1082, (12.05.00) 1128, 1132, 1134–5, 1138, 1144, 1163
Disallowed questions (03.05.00) 143
Forsythe, Clifford, Death (02.05.00) 1
Orders and regulations motions (02.05.00) 120
Points of order (02.05.00) 36, (03.05.00) 163, (04.05.00) 347, 386, (08.05.00) 530, (09.05.00) 658, 694, 723, (10.05.00) 841, 879, (12.05.00) 1125, 1137
Private Members' bill orders (12.05.00) 1183
Rulings and statements, Members (08.05.00) 530, (10.05.00) 841
Rulings and statements, Points of order (03.05.00) 164
Rulings and statements, Unparliamentary expressions (02.05.00) 27
Sittings in Westminster Hall
Conduct of proceedings (02.05.00) 9wh, 17wh, 19–20wh, 24wh, 28wh, 36wh, (03.05.00) 75–6wh, 87wh, 90wh, 103wh, (04.05.00) 124wh, 132wh, 138–9wh, 141wh, 147wh, 154wh, (09.05.00) 178wh, (10.05.00) 227wh, (11.05.00) 277wh, 282wh, 286wh, 289–90wh, 294wh, 300wh
Rulings and statements, Sub judice rule (03.05.00) 49wh
Rulings and statements, Unparliamentary expressions (04.05.00) 138wh

Special constables
Ethnic groups 156w
Greater London 156w

Special education
Assessments 90w
Closures 353–4w
Information technology 91–2w
Teachers 350w

Speech therapy
53–5w

Speed limits
363w, 371w

***Spellar, Mr John**, Minister for the Armed Forces, Ministry of Defence*
Questions
Air force, Manpower 113w
Armed forces, Divorce 263–4w
Armed forces, Manpower 10w
Army Criminal Legal Aid Authority, Administrative delays 262–3w
Atomic Weapons Establishment 8w
Balkans, Peace keeping operations 13w

***Spellar, Mr John**—continued*
Chinook helicopters 14w
Chinook helicopters, Accidents 112w
Defence Clothing and Textiles Agency 119–20w
EH101 helicopters, Procurement 510–1w
Falkland Islands, Bomb disposal 512w
Hercules aircraft, Low flying 221w
Joint exercises 513–4w
KFOR, Costs 14w
Kosovo, Armed conflict 512w
Kosovo, Challenger tanks 201w
Lockheed Martin, Safety 7–8w
Lynx helicopters, Repairs and maintenance 511w
Macedonia, Prisoners 201w
Military bases, Aldershot 390w
Military bases, Fermanagh 15–6w
Ministry of Defence Police, Sick leave 14–5w
Navy, Discharges 113–4w
Patrol craft, Fishing grounds 511w
Peace keeping operations, Pay 449w
Plutonium, USA 14w
RAF Feltwell 513w
RAF Fylingdales 513w
RAF Menwith Hill 513w
RAF Staxton Wold 13w
Reserve forces 509–10w
Sea King helicopters, Electronic equipment 512w
Territorial Army, Correspondence 390w
Trident 112w
Veterans' Advice Unit, Email 113w
Warships 511–2w

Spelman, Mrs Caroline
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 401–2, 434, 438, 443, 450, 465–6
Rover Group (09.05.00) 654
Sittings in Westminster Hall
Cosmetic surgery (10.05.00) 213–5wh
Questions
Cervical cancer, Screening 491w
Doctors' list of patients, Overseas workers 63w
Hospitals, Waiting lists 3
Parking, Taxation 363w

Spicer, Sir Michael
Debates etc.
Finance Bill, Com (02.05.00) 48, 51–2, 56, 58, 62–9

Spoliation Advisory Panel
491–2

Sports
(04.05.00) 113–56wh
Eastern region 317w
Expenditure 19w
Finance 451–2w
National Lottery 18w
Schools 317–8w

Sportsgrounds
Athletics 16w, 18w

Spring, Mr Richard
Sittings in Westminster Hall
Cyprus (02.05.00) 14–6wh
Questions
India, Arms trade 73w
India, Nuclear weapons 73w
India, Overseas trade 241–2w
India, UN Security Council 73w
Kashmir 73w

Squalene
175w

Squire, Ms Rachel
Debates etc.
Defence (04.05.00) 306, 318, 320, 324, 358–61
Questions
MV Gaul 229w
Nuclear submarines, Decommissioning 447–8w

Sri Lanka
130–1, 495w

Staffordshire
Clinical trials 337w

Stakeholder pensions
381w, 478w

Standard assessment tasks
293–4w, 345–6w
English language 346w

Standard Life Assurance
468–9w

Standard spending assessments
638–9

Stanley, Rt Hon Sir John
Debates etc.
Defence (04.05.00) 354–8

Starkey, Dr Phyllis
Questions
Climate change levy, Horticulture 33–4w
Council for Science and Technology 443w
Council for Science and Technology, Public appointments 24–5w
Health services, Private sector 6–7
Information technology, Disadvantaged 186w
Iraq, Oil 67w, 259–60w
Israel, Children 68w
Palestinians, Overseas aid 130w
Secondment, Foreign and Commonwealth Office 66–7w

State earnings related pension scheme
Compensation 39–40w

State retirement pensions
Uprating 40w, 275w, 480w

State visits
China 331w
Japan 241w

Statistics
Health 46w
Labour market 147w

Steen, Mr Anthony
Sittings in Westminster Hall
Social services, Devon (02.05.00) 20–2wh, 26wh, 28wh
Questions
Disability living allowance 123w
Parliamentary Commissioner for Administration 210–1w
Refugees, Torbay 80w
Social services, Devon 268w
Social services, Expenditure 222w

Steinberg, Mr Gerry
Questions
Northern region, Dept of Health 323–5w

Stevenson, Mr George
Questions
Education, Stoke on Trent 93w
Mining, Pensions 398w
Primary education, Class sizes 285–6
Trade competitiveness, West Midlands 280–1w
West Midlands Regional Development Agency, Finance 6w

Stewart, Mr David
Questions
Alternative energy 137–8w
Assisted areas, Scotland 378–9w
Mortgage relief 41w
Pensioners, Income support 833
Social Fund, Northern Ireland 108w
Urban areas 80w
Wind power 137w

Stewart, Mr Ian
Questions
Film Council 21w

Stoate, Dr Howard
Debates etc.
Telemedicine (04.05.00) 387–91
Sittings in Westminster Hall
Sports (04.05.00) 139–42wh

Stock Exchange
Deutsche Borse 476w

Stoke on Trent
Education 93w

Stop and search
Greater London 153w

Strang, Rt Hon Dr Gavin,
Debates etc.
Common agricultural policy (11.05.00) 1040, 1093–6
Transport Bill, Programme motion and Rep (09.05.00) 676–7, 687, 712

***Straw, Rt Hon Jack**, Secretary of State for the Home Dept*
Debates etc.
Demonstrations, Ministerial statements (02.05.00) 21–35
Questions
Antisocial behaviour orders 518w
Coroners 80w
Demonstrations 223–4w
Demonstrations, Greater London 313–4w, 521w
Extradition 76w
Families, Research 298–9w
Fire services, Conditions of employment 223w
Flynn, Errol, Public records 76–7w
Government departments, Racial discrimination 519w
Illegal immigrants 311w
Lewis, Richard, Prerogative of mercy 310w
Licensing laws 78w
Parole 79–80w
Pinochet, Augusto 209w
Police, Recruitment 518w
Prison Service 522w
Proof of identity, Home Office 296w
Public service, Standards 79w
Refugees, Afghanistan 517–8w
Refugees, Home Office 332–4w
Refugees, Torbay 80w
Shipman, Harold 330w
Sopley Camp 76w
United Kingdom Passport Agency, Business plans 223w
Young offenders, Supervision orders 298w

Streeter, Mr Gary
Questions
Africa, Droughts 81w
Developing countries, Debts 133–4
Ethiopia, Overseas aid 224w

***Stringer, Mr Graham**, Parliamentary Secretary, Cabinet Office*
Questions
Advertising, Cabinet Office 86w
Buildings, Cabinet Office 85w

***Stringer, Mr Graham**—continued*
Centre for Management and Policy Studies 84–5w
Civil servants, Cabinet Office 86–8w
Civil servants, Ethnic groups 823–4
Departmental records, Security 88w
Elderly 827–9
Electronic government 829–30
Electronic government, Computer viruses 830
Government Information and Communication Service, Costs 83–4w
Higher civil servants, Cabinet Office 85–6w
Information officers, Cabinet Office 314w
Internet, Cabinet Office 82w
Ministerial policy advisors 430w
Ombudsman, Public sector 432w
Proof of identity, Cabinet Office 82w
Public appointments 432w
Regulation, Catering 88–9w
Regulation, Manufacturing industries 430w
Standards, Cabinet Office 85w

Strychnine
Pest control 428w

***Stuart, Ms Gisela**, Parliamentary Under-Secretary of State, Dept of Health*
Debates etc.
Hospitals, Hygiene (11.05.00) 1114–8
Telemedicine (04.05.00) 391–6
Sittings in Westminster Hall
Ashford Hospital (02.05.00) 40–4wh
Questions
Air ambulance services, East Midlands 50w
Antidepressants, Overdoses 325w
Arthritis 337w
Aspartame, Health hazards 56–7w
Asthma, Medical equipment 326w
Bovine spongiform encephalopathy, Disease control 96w
Cerebral palsy, Medical treatments 48w
Clinical trials 464w
Committee for Proprietary Medicinal Products 338w
Committee on Safety of Medicines 338w
Community nurses, Cars 50w
Dietary supplements 242w
Disclosure of information, Dept of Health 221w
Doctors' list of patients, Overseas workers 63w
Drugs, Companies 57w
EC Food and Veterinary Office 407w
Food, EC action 63w, 175–7w
Generic prescribing 408w
Genetically modified organisms, Beekeeping 459w
Genetically modified organisms, Crops 212w
Genetically modified organisms, Maize 49w
Health authorities 170w
Health visitors, Greater London 54w
Heart diseases, Correspondence 57w
Hospital wards, Gender 19–20
Hospitals, Consultants 410w
Hospitals, Food 48–9w
Mead Webber Abattoir 410–1w, 489–90w
Medical records 212w
Medical records, Information technology 60–1w
Medical treatments, EC countries 490w
NHS 45w
NHS, Air conditioning 338–9w
NHS, Public appointments 43w, 57w
Northern region, Dept of Health 323–5w
Nurses, Consultants 55w

***Stuart, Ms Gisela**—continued*
Nurses, Older workers 52–3w
Operating theatres, Gases 326w
Osteoporosis 15–6
Patients' rights 8–10, 42w
Personal records, Dept of Health 321w
Prescription drugs, Prices 409w
Prescriptions 171w
Primary care groups, Public appointments 51–2w
Proof of identity, Dept of Health 55w
Royal Liverpool Children's Hospital and Community NHS Trust, Public appointments 490w
Slaughterhouses 94–5w
Slimming, Drugs 409w

Student numbers
Further education 347–8w
Higher education 352w

Students
Sick leave 256w

Stunell, Mr Andrew
Debates etc.
Finance Bill, Com (02.05.00) 82, 92–7, 113
Questions
Agriculture, Waste disposal 141–2w
Gas fired power stations, Air pollution 237w

Sub judice rule
Rulings and statements (03.05.00) 49wh

Subsidies
Cattle 242w
Dairy farming 243w
Pigs 285w

Sudan
Armed conflict 73w
BP Amoco 29w, 285w
Ethnic groups 453w
Oil 29w

Suicide
Young people 150w

Supervision orders
Young offenders 298w

Sure start programme
178w, 188–9w, 287–9
Maternity payments 123–4w

Surgery
Heart diseases 174w

Sustainable development
147–8w, 272w
Tourism 483–4

Sutherland Commission
see Long-Term Care Royal Commission

Sutton
Mental health services (03.05.00) 95–103wh

Swanwick Air Traffic Control Centre
265w

Swayne, Mr Desmond
Debates etc.
Common agricultural policy (11.05.00) 1081–2
Finance Bill, Com (02.05.00) 44, 56, 68, 88, 97–8, 109–10, 112, (03.05.00) 186, 207–9
Questions
Business questions 298, 1020
East Africa, Overseas aid 126w
Foden Thompson Carmichael MWD, Accidents 13w
Genetically modified organisms 429w
Health services, Private sector 4

***Swayne, Mr Desmond**—continued*
Mayor of London, Elections 142
NHS, Private finance initiative 212w
Sopley Camp 76w
Teachers, Pay 277–8
Water charges 386w

Swinney, Mr John
Debates etc.
Finance Bill, Com (02.05.00) 53, 75–7, 89, 95, 100–3, 113

Symphysis pubis dysfunction
(03.05.00) 88–94wh

Syms, Mr Robert
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 692, 788–9
Transport Bill, Rep and 3R (10.05.00) 842–6, 862, 864, 868–72, 874, 880, 886, 900, 908
Questions
Higher education, Finance 290

Synthetic fibres
Health hazards 168w

Tapsell, Sir Peter
Questions
Official engagements, Prime Minister 109w, 420w

Tax allowances
Companies 334–5w
Pensions 475w

Tax avoidance
Self-employed 30–1w, 439w, 468w

Tax yields
Companies 425w

Taxation
30w, (02.05.00) 41–119, (03.05.00) 167–268
EC action 334w
EC countries 31w
Parking 363w
Reform 33w

Taylor, Mr David
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 806
Questions
Council tax, Rural areas 640

Taylor, Mr Ian
Debates etc.
Regulation of Investigatory Powers Bill, Rep and 3R (08.05.00) 548–9
Questions
Exchange rates 144

Taylor, Rt Hon John D
Debates etc.
Northern Ireland government (08.05.00) 512
Sierra Leone (08.05.00) 527–8
Questions
Northern Ireland Roads Service, Flags 374–5w

Taylor, Mr John M
Debates etc.
Rover Group (09.05.00) 653
Questions
Cars, Manufacturing industries 993

Taylor, Mr Matthew
Debates etc.
Finance Bill, Com (03.05.00) 261–2, 264
Questions
Back to work bonus scheme 380w
Chemical and biological warfare 114w

Taylor, Mr Matthew*—*continued
Child benefit 277–8w
Energy 147w
Government departments, Assets 424w
Incentives, Dept of Trade and Industry 400w
Income tax 426w
Jobseeker's allowance, Part-time employment 380w
Minimum wage 21w, 422w
Private finance initiative 476w
Sustainable development 147–8w
Taxation 30w
Working families tax credit 334w

Taylor, Sir Teddy
Debates etc.
Zimbabwe (03.05.00) 158
Questions
Shipbuilding 440w

Teachers
Computers 344w
Conditions of employment 186w, 218w
Early retirement 178w
Pay 184–5w, 187–8w, 277–8
Recruitment 277–9
Special education 350w

Technology transfer
Defence Diversification Agency 448w

Teenage pregnancy
165–6w

Tees barrage
437w

Telecommunications
Foreign and Commonwealth Office 391w

Telemedicine
(04.05.00) 387–96

Telephone numbering
Disclosure of information 399w

Telephone services
House of Commons 215w
Welfare tax credits 423–4w

Television
Football 315w
Licensing 20w, 318w

Temple-Morris, Mr Peter
Debates etc.
Northern Ireland government (08.05.00) 511
Questions
Forestry Commission, Pensions 428w

Temporary employment
EC law 342w

Territorial Army
Correspondence 390w

Terrorism
Northern Ireland 831
Omagh 108w, 238w

Thailand
Non-governmental organisations 129w

Thomas, Mr Gareth
Debates etc.
Common agricultural policy (11.05.00) 1085–7

Thomas, Mr Gareth R
Debates etc.
Carers and Disabled Children Bill, Rep and 3R (05.05.00) 400–1, 409–18, 426, 443
Members, Points of order (10.05.00) 841
Sittings in Westminster Hall
Forests, Brands Hatch (09.05.00) 179–83wh

Thomas, Mr Gareth R*—*continued
Sports (04.05.00) 126wh, 131–2wh, 134wh, 146–50wh
Questions
Electricity generation 444w
Football 19w
NHS trusts, Greater London 326w
Wind power 137w

Thomas, Simon
Questions
Defence Evaluation and Research Agency 12w
Digital broadcasting, Wales 318w

Thompson, Mr William
Debates etc.
Common agricultural policy (11.05.00) 1070–2
Questions
Business questions 297

Timms, Mr Stephen*, *Financial Secretary to the Treasury
Debates etc.
Finance Bill, Com (02.05.00) 43, 77–82, 89, 94, 108, 111–5
Sittings in Westminster Hall
Landfill tax (10.05.00) 252–6wh
Questions
Airport tax, Highlands of Scotland 148w
Climate change levy 148–9w, 260w
Climate change levy, Horticulture 33–4w
Climate change levy, Local government 34w
Climate change levy, Regulatory impact assessments 34w
Energy 147w
Public bodies, Overpayments 34w

Tiree
Meteorological Office (10.05.00) 257–64wh

Tobacco
Animal experiments 152w

Todd, Mr Mark
Debates etc.
Common agricultural policy (11.05.00) 1047–55, 1064–5
Transport Bill, Programme motion and Rep (09.05.00) 680, 682–4
Questions
Beef, Imports 64w
Cars, Manufacturing industries 994
Criminal Records Bureau, Fees and charges 300w
Macedonia, Prisoners 201w
Pets, Cremation 6–7w
Travelling people 485w

Tolls
Roads 271w

Tonge, Dr Jenny
Debates etc.
Hospitals, Hygiene (11.05.00) 1111–4, 1116
Sierra Leone (08.05.00) 529
Transport Bill, Programme motion and Rep (09.05.00) 708
Questions
Aircraft, Safety 202w
Arms trade, Democratic Republic of Congo 138w
Bombings, Iraq 74w
Cancer 30w
China, BP Amoco 488w
Community nurses, Cars 50w
Drugs, Abuse 824–5
Ethiopia, EC aid 225w
Ethiopia, Overseas aid 224–5w

Tonge, Dr Jenny*—*continued
Ethiopia, World Food Programme 224w
Ilisu dam 27w
Indonesia, Security 453w
International Criminal Court 200w
Neurology, Medical treatments 408–9w
Overseas aid, Non-governmental organisations 343w
Pakistan, Forced labour 489w
Prostate cancer, Research 171–2w
Prostate cancer, Screening 458w
Prostate cancer, Waiting lists 171w
Sierra Leone, Armed conflict 488w
Sierra Leone, Overseas aid 489w
Sudan, Armed conflict 73w
Sudan, BP Amoco 29w, 285w
Sudan, Ethnic groups 453w
Sudan, Oil 29w
Zimbabwe, Overseas aid 225–6w

Torbay
Refugees 80w

Tourism
Coastal areas 494–5
Southend (09.05.00) 187–93wh
Sustainable development 483–4

Townend, Mr John
Debates etc.
Common agricultural policy (11.05.00) 1032

Toxicology
Training 177w

Trade competitiveness
Manufacturing industries 440w
West Midlands 280–1w

Trade union recognition
(11.05.00) 1110

Training
Air traffic control 266w
Lantra 243–4w
Medical laboratory scientific officers 61w
Nurses 52–3w
Toxicology 177w

Training and enterprise councils
291–2

Trams
Croydon 371w

Trans-European networks
358w

Transport
Defence equipment 116w
Greater London 361w

Transport Bill 1999/2000
Debates etc.
Ways and means res*, Programme motion and Rep (09.05.00) 660–814
Rep and 3R (10.05.00) 842–981

Travelling people
485w

Treasury
Buildings 231w
Proof of identity 214w

Tredinnick, Mr David
Questions
Class sizes, Primary education 189–90w

Trend, Mr Michael
Questions
Sri Lanka 495w

Trials
436w, 838–40
Iran 257–8w

Trident
112w

Trident—continued
Costs 390–1w

Trimble, Rt Hon David
Debates etc.
Northern Ireland government (08.05.00) 505–6

Tritium
118–9w, 279w

Truswell, Mr Paul
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1133, 1141–2, 1148–9, 1182

Tuberculosis
166–7w, 321–2w
Health services 166–7w
Vaccination 166–8w, 321w

Turner, Mr Dennis
Debates etc.
Rover Group (09.05.00) 654–5

Turner, Dr Desmond
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 665–6, 680–3, 687

Turner, Dr George
Sittings in Westminster Hall
Crime, Rural areas (09.05.00) 166–9wh, 174wh
Police, Norfolk (02.05.00) 29–32wh
Questions
Business questions 301
State retirement pensions, Uprating 275w
Teachers, Pay 278

Twigg, Mr Derek
Questions
Aerosols 274w
Air pollution, Accidents 373w
Asthma, Medical equipment 326w
Hydrocarbons 388w
Montreal Protocol 272–3w
NHS, Air conditioning 338–9w
NHS, Finance 144–5
Operating theatres, Gases 326w
Refrigeration, NHS 273–4w
Schools, Information technology 283–4
Sustainable development 272w
Volatile organic compounds 273w

Tyler, Mr Paul
Debates etc.
Common agricultural policy (11.05.00) 1050, 1069
Computer viruses, Points of order (04.05.00) 386
Defence (04.05.00) 384
Questions
Business questions 295–6, 1011–2
Electronic government, Computer viruses 830
Organic farming, Research 98w
Organophosphates 361w
Rural areas, Grants 252w
Rural areas, Planning 431–2w

Type 45 destroyers
Antiaircraft missiles 9–10w

Tyrie, Mr Andrew
Debates etc.
Finance Bill, Com (02.05.00) 92, 110–3

UK membership of EC
1w, 452–3w
Exhibitions 64–5w
Questionnaires 67–8w

UK trade with EC
334w, 400–1w

UN Security Council
India 73w

Unemployed
Divorce 151w

Unemployment
Glasgow 146

United Kingdom Passport Agency
see also Passports
519–20w
Business plans 223w

United Nations
Peace keeping operations 835–6

UNMIK
329w

Unparliamentary expressions
Rulings and statements (02.05.00) 27, (04.05.00) 138wh

Unruly children
188w

Uranium
Yugoslavia 295–6w

Urban areas
80w
Disadvantaged 641–2
Planning 482w

USA
Air routes 359w, 372–3w
Plutonium 14w, 120–1w

Vaccination
168–9w
Compensation 123w
Influenza 170w
Tuberculosis 166–8w, 321w

VAT
32w
Churches 101w, 289w
Companies 230w
Hotels 32w

Vaz, Mr Keith, Minister for Europe, Foreign and Commonwealth Office
Sittings in Westminster Hall
Cyprus (02.05.00) 16–9wh
Questions
Charter of Fundamental Rights (EU) 65w
Council of Ministers 69–71w
Diplomatic service, Official cars 68w
EC enlargement 259w
EC law, Fines 120w
Kosovo, Mines 200w
Migration and Visa Correspondence Unit, Standards 122w
National security 200w
NATO 453w
Pakistan, Visas 121w
Peru, Visas 240w
Spain, Visas 66w
UK membership of EC 452–3w
UK membership of EC, Exhibitions 64–5w
UK membership of EC, Questionnaires 67–8w
UNMIK 329w
Western European Union, Public appointments 450w
Yugoslavia, EC enlargement 259w

Veterans' Advice Unit
Email 113w

Veterinary Laboratories Agency
Standards 145w

Veterinary Medicines Directorate
Standards 142–3w

Viggers, Mr Peter
Questions
Winter fuel payments, Gosport 122–3w

Vis, Dr Rudi
Sittings in Westminster Hall
Cyprus (02.05.00) 8–9wh
Questions
Further education 279

Visas
Pakistan 121w
Peru 240w
Spain 66w

Vocational guidance
Standards 218–20w

Volatile organic compounds
273w

Voluntary work
Overseas aid 124w
School leaving (10.05.00) 221–41wh

Voting methods
Internet 158w

Voucher schemes
Refugees 515–7w

Wales
Children's Fund 335w
Civic dignitaries 383–4w
Cultural heritage 81w
Digital broadcasting 318w
Local government 384w
Railway network 228w, 483w

Wales Office
see Office of the Secretary of State for Wales

Walker, Mr Cecil
Questions
Royal Victoria Hospital Belfast, Repairs and maintenance 287w

Walley, Ms Joan
Debates etc.
Renewable Energy Bill, 1R (02.05.00) 37–40

War pensions
Radiation exposure 496–8w

Ward, Ms Claire
Questions
Film 317w
Parish councils 7w
Prison accommodation, Disabled 157w

Warrington Hospital
12

Warships
511–2w
Shipbuilding 115–6w

Waste disposal
Agriculture 141–2w, 243w
Packaging 1005–6
Sheep dipping 514w
Slaughterhouses 377w

Waste management
3w
Licensing 367–9w

Water charges
386w

Water supply
Iraq 128w
Northern Ireland 198–9w

Waterloo-Exeter railway line
388–9w

Waterson, Mr Nigel
Questions
Heart diseases, Surgery 174w
Institutional care 50–1w
Pinochet, Augusto 209w
Refugees, Channel tunnel railway line 202–3w
Standard spending assessments 639
Tourism, Coastal areas 494–5

Webb, Mr Steve
Questions
Children, Poverty 124w
Developing countries, Debts 125w
Education, Gloucestershire 276
National insurance contributions, Females 419w
Poverty, Children 424w
Road works 371–2w
Social security benefits, Automated credit transfer 277w
Standard spending assessments 638
Students, Sick leave 256w

Welfare Fraud Ministerial Group
37–8w

Welfare tax credits
Telephone services 423–4w

Wells, Mr Bowen
Debates etc.
Sierra Leone (08.05.00) 526–7

Welsh, Mr Andrew
Debates etc.
Finance Bill, Com (03.05.00) 173–5, 179
Questions
Agriculture, Climate change levy 251w, 427–8w
Airport tax, Highlands of Scotland 148w
Climate change levy, Fisheries 251w
Climate change levy, Local government 34w
Exservicemen, Radiation exposure 329w
Firearms 524w
Military aircraft, Repairs and maintenance 113w
Minimum wage, Dept of Trade and Industry 396–8w
Minimum wage, Ministry of Defence 112–3w
Opencast mining, Industrial health and safety 370w
War pensions, Radiation exposure 498w

Welsh Grand Committee
(02.05.00) 36, 120

Wembley Stadium
17–8w, 315–6w, 492–4
Public transport 6w

West Midlands
Trade competitiveness 280–1w

West Midlands Regional Development Agency
Finance 6w

West Midlands Task Force
see Longbridge Task Force

Western European Union
Public appointments 450w

White, Mr Brian
Questions
Badminton Association of England 451w
Film 317–8w
Sports, Finance 451–2w

Whitehead, Dr Alan
Sittings in Westminster Hall
Landfill tax (10.05.00) 248–52wh, 256wh

Whitehead, Dr Alan—continued
Questions
Business questions 298
Housing, South East region 629–30
Packaging, Waste disposal 1005–6

Whitney, Sir Ray
Questions
Zimbabwe 138

Wicks, Mr Malcolm, Parliamentary Under-Secretary of State, Dept for Education and Employment
Debates etc.
Secondary education, Southwark (05.05.00) 477–80
Questions
Connexions Service 196w
Educational institutions 351w
Further education 279–80, 347–8w
Further education, Finance 218w
Further education, Mergers 392–3w
Further education, Student numbers 347–8w
GCE A level 348–9w
General certificate of secondary education 347w
Higher education, Access 507–8w
Higher education, Disabled 391w
Higher education, Finance 290
Higher education, Standards 187w
Higher education, Student numbers 352w
Individual learning accounts 196w, 357w
Learning and skills councils 217w
Learning and skills councils, Greater London 292
Publications, Dept for Education and Employment 350w
Sixth form education, Expenditure 217w
Students, Sick leave 256w
Teachers, Conditions of employment 186w, 218w
Training and enterprise councils 291–2
Vocational guidance, Standards 218–20w

Widdecombe, Rt Hon Ann
Debates etc.
Demonstrations, Greater London (02.05.00) 23–4
Questions
Antisocial behaviour orders 518w
Crime 519w
Demonstrations, Greater London 313–4w, 521w
Elections, Local government 522–3w
Global Cultural Diversity Congress 517w
Government departments, Racial discrimination 519w
Home detention curfews 74–5w, 520w
Immigration, Administrative delays 515w
Immigration, Applications 516w
Local child curfew schemes 517w
Passports, Fees and charges 519w
Police, Recruitment 518w
Prison Service 522w
Prisoners, Pay 210w
Prisons, Employment 301–9w
Prisons, National vocational qualifications 309w
Referendums 520w
Refugees 516w
Refugees, Afghanistan 517–8w
Refugees, Voucher schemes 515–7w
United Kingdom Passport Agency 519–20w
Young offenders, Administration of justice 523w

Widowed people
Social security benefits 277w

Wigley, Rt Hon Dafydd
Sittings in Westminster Hall
Police, Manpower (03.05.00) 51–3wh
Questions
Disability living allowance, Appeals 414w
European Parliament members, Pensions 147w
Lewis, Richard, Prerogative of mercy 310w
Milk, Prices 453–4w
National debt 420–1w
Osteoporosis 15–6
Sri Lanka 131
Synthetic fibres, Health hazards 168w

Wilkinson, Mr John
Debates etc.
Defence (04.05.00) 303–4, 313, 326, 344, 349–50, 368–70, 377–8, 382
Demonstrations, Greater London (02.05.00) 33
Northern Ireland government (08.05.00) 516
Transport Bill, Programme motion and Rep (09.05.00) 731, 743–5
Questions
Business questions 1013
Developing countries, Arms trade 136
Harefield Hospital 18–9, 42w
Transport, Greater London 361w
Zimbabwe, Overseas aid 127w

Willetts, Mr David
Questions
Association of British Insurers 478w
Community service orders 435w
Disability living allowance 414w
Family credit 382–3w
Housing, Lone parents 386–7w
Income support, Lone parents 413–4w
Income support, Mortgages 417–9w
Maternity payments, Sure start programme 123–4w
National insurance, Abuse 423w
National insurance contributions, Rebates 148w
Pensioners, Income 213w
Stakeholder pensions 478w
Television, Licensing 20w
Welfare tax credits, Telephone services 423–4w
Winter fuel payments 254–5w, 381–2w

William Gilbert School Derbyshire
Correspondence 506w

Williams, Rt Hon Alan
Sittings in Westminster Hall
Engineering (11.05.00) 272–7wh

Williams, Mr Alan W
Debates etc.
Common agricultural policy (11.05.00) 1026
Questions
Manufacturing industries, Trade competitiveness 440w
Mining, Pensions 138w
New deal for 50 plus 280–1

Williams, Mrs Betty
Questions
Millennium landmark projects 484–5
National Disability Council 195w
National grid for learning 286–7

Willis, Mr Phil
Questions
General certificate of secondary education 347w
Learning and skills councils 217w
Older workers, Dept for Education and Employment 346–7w

***Willis, Mr Phil**—continued*
Pre-school education 190–3w
Publications, Dept for Education and Employment 350w
Sixth form education 196–7w
Special education, Teachers 350w
Sure start programme 288–9
Vocational guidance, Standards 218–20w

***Wills, Mr Michael**, Parliamentary Under-Secretary of State, Dept for Education and Employment*
Questions
Disclosure of information, Dept for Education and Employment 217w
Extracurricular activities 184w
Fitzherbert School Derbyshire, Correspondence 505w
Information technology, Disadvantaged 185–6w
National grid for learning 286–7
Proof of identity, Dept for Education and Employment 197w
Schools, Information technology 185w, 283–5
Teachers, Computers 344w
William Gilbert School Derbyshire, Correspondence 506w

Wilshire, Mr David
Debates etc.
Transport Bill, Programme motion and Rep (09.05.00) 668, 682
Sittings in Westminster Hall
Ashford Hospital (02.05.00) 37–40wh, 44wh

Winchester
Museums and galleries 14w

Wind power
137w

Wines
Foreign and Commonwealth Office 496w

Winnick, Mr David
Debates etc.
Zimbabwe (03.05.00) 155
Questions
Drugs, Mass media 827
Members, Correspondence 277w
Schools, Inspections 93w

"Winning the Generation Game"
16w

Winter fuel payments
254–5w, 381–2w, 412–3w
Gosport 122–3w

Winterton, Mrs Ann
Questions
Drugs, Mass media 826
Exservicemen, Radiation exposure 448–9w
War pensions, Radiation exposure 496–8w

Winterton, Mr Nicholas
Debates etc.
Zimbabwe (03.05.00) 155–6
Questions
Air routes, USA 359w
EC budget, Contributions 468w
Gold and foreign exchange reserves 425w
Regulation, Manufacturing industries 430w
Zimbabwe, Overseas aid 127w

"Wiring It Up"
295w

Women
see Females

Wood, Mr Mike
Debates etc.
Riot control weapons (12.05.00) 1185–8

Woodward, Mr Shaun
Questions
Education, Racial discrimination 180w

Woolas, Mr Phil
Debates etc.
Licensing (Young Persons) Bill, Rep and 3R adjourned (12.05.00) 1158, 1165
Transport Bill, Rep and 3R (10.05.00) 869
Questions
Arthritis 337w
Pest control, Strychnine 428w
Working families tax credit 33w

Worcester
Bellwin scheme 104–5w
Capital receipts initiative 104w
Class sizes 292–3w

Worcestershire
Hospital beds 44w

Work permits
Cricket 349–50w

Working families tax credit
32–3w, 230–1w, 334w, 382–3w, 425w, 830–1

Working hours
NHS 55w

Working mothers
471–3w

World Food Programme
Ethiopia 224w

World War II
Compensation 262w

Worthington, Mr Tony
Questions
International Criminal Court 122w

Wright, Mr Anthony D
Questions
Remploy 505w

Wright, Tony
Debates etc.
Rover Group (09.05.00) 656
Questions
Schools, Complaints 186w

Wyatt, Derek
Sittings in Westminster Hall
Bridges, Isle of Sheppey (03.05.00) 104–8wh, 111–2wh
Questions
Animal experiments, Tobacco 152w
Athletics 229–30w
Energy supply, Marketing 502w
National Lottery 482
Qualifications and Curriculum Authority, Publications 293w
Standard assessment tasks 293–4w, 345–6w
Standard assessment tasks, English language 346w

***Yeo, Mr Tim**
Debates etc.
Common agricultural policy (11.05.00) 1037–47

***Yeo, Mr Tim**—continued*
Questions
Aerials, Planning permission 107w
Agriculture, Diversification 248w
Agriculture, Finance 246w
Agriculture, Information technology 243w
Agriculture, Waste disposal 243w
Agriculture development scheme, Finance 243–4w
Bovine spongiform encephalopathy, Disease control 244–5w
Bovine tuberculosis, Disease control 243w
Cattle, Subsidies 242w
Dairy farming, Subsidies 243w
Farm waste grant scheme 245–6w
Farms, Council tax 242–3w
Farms, Empty property 107w
Farms, Non-domestic rates 107w
Ground water, Fees and charges 228w
Hill farming 248w
Hill livestock allowances 249w
Integrated pollution control 247–8w
Lantra, Training 243–4w
Millennium Exhibition, Ministry of Agriculture Fisheries and Food 454w
Oil, Prices 400w
Organic food, Fruit 246–7w
Pigs 248w
Research, Ministry of Agriculture Fisheries and Food 247w
Rural areas, Mental health 246w
Rural development plans 242w
Waste disposal, Sheep dipping 514w

Yorkshire and Humberside Regional Development Agency
362–3w

Young, Sir George
Questions
Business statements 293–5, 1009–10

Young offenders
Administration of justice 523w
Custodial treatment 297w
Homicide 298w
Supervision orders 298w

Young people
Depressive illnesses 211w
Suicide 150w

Yugoslavia
EC enlargement 259w
Uranium 295–6w

Zimbabwe
138
Arms trade 493–4w
Ministerial statements (03.05.00) 149–62
Overseas aid 127w, 225–6w
Politics and government 257w

Zoo Licensing (Amendment) Bill 1999/2000
Debates etc.
2R order read (05.05.00) 472, (12.05.00) 1183

Zoos
Environmental health 103–4w

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